The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Did Wang Sign A Secret Treaty?
Political Unrest in Japan

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OCCUPATION OF WEIHAIWEI REMOVES LAST FOREIGN BASE

THE Japanese naval authorities announced (May 3) the occupation of Weihaiwei, long known as the British Naval Base on the North China coast. But there was little or no international significance in Japan's action because Britain had handed the port and surrounding territory back to China (Oct. 1, 1930) in accordance with a resolution adopted at the Washington Arms Conference in 1921-1922.

But the fact that Britain had returned the base to China didn't prevent the Japanese naval authorities from making it appear that they had "taken" the port from Britain. The *Domei* report said that the Japanese warships, "after exchanging courtesies with the British warship Capetown, landed marine forces, occupied all Chinese Government machinery, and confiscated large quantities of arms and munitions." Britain's only interest in Weihaiwei is a naval hospital on Liukung-tao Island which fronts the harbor.

Historically there is significance in Japan's seizure of the port, which was leased to Great Britain by treaty dated July 1, 1898. The territory originally embraced the bay, all islands therein, and a strip of coastline 10-miles wide around the bay. The area was 283 square miles, but Great Britain, under the treaty, also had the right to fortify all of the coast region east of meridian 121° 40'.

Since the British naval authorities never developed Weihaiwei, it was of little importance as a naval base, although useful as a summer camp for the navy and British residents of the China coast.

Weihaiwei was first visited and charted by Sir J. Hope Grant in 1860, when seeking a suitable place for basing British troops for the expedition to Tientsin and Peiping. But the city came into prominence in 1895 when the Japanese assaulted it by land and sea and destroyed Admiral Ting's damaged squadron. After handing over the remants of his fleet and the forts, Admiral

Ting committed suicide. The Japanese remained in occupation for three years pending payment of an indemnity.

Three years later (1898) when the scramble began for Chinese territory, the Russians having occupied Port Arthur and the Germans Kiaochow Bay and Tsingtao, Great Britain took over Weihaiwei, "for as long a period as Port Arthur remained in the possession of Russia."

Until 1891 the port was administered by a joint-commission of the British War Office and Admiralty, the Commissioner being Sir A. Dorward. It was then handed over to the Colonial Office to administer and Sir James H. Stewart Lockhart, K. C. M. G., was appointed Commissioner, (May, 1902) a position he continued to hold for nearly twenty years.

Weihaiwei figured in a dramatic episode at the Washington Arms Conference when the Powers were exerting pressure on Japan to withdraw her troops from Shantung. The Japanese had defeated the little German force at Tsingtao shortly after the beginning of the World War in 1914 and had gradually penetrated all parts of the province. But since Japan had promised to withdraw her troops from Shantung, the Powers called upon her to carry out her promise. Japan procrastinated until Lord Arthur James Balfour, head of the British Delegration, announced at one of the plenary sesssion that Great Gritain was prepared to relinquish control of Weihaiwei. Japan then definitely agreed to take her troops out of Shantung and relinquish political and military control to the Chinese Government.

Since Japan occupied Port Arthur on the southern Manchurian coast following the Russo-Japanese war and has held it since, and is now back in Tsingtao, the occupation of the former British port of Weihaiwei completes the elimination of occidental military influence on the northern Chinese coast, long a fundamental objective of the Japanese general staff.

Tokyo Government Accused of Lukewarmness, Indecision and Misstatements on War Situation

KATSUSABURO Kajiwara, member of the East Asiatic Economic Investigation Bureau, contributed an article to the April 15 *Gaiko Jiho*, well known Tokyo magazine, which indicated that serious dissention has developed in Japan over the Government's method of conducting the war.

The article indicated quite clearly that widespread dissatisfaction prevails with respect to the lack of progress made by the Japanese forces and that this dissatisfaction is taking the form of attacks on the government for misrepresenting the actual situation. The statements of the writer are, therefore, illuminating in that they indicate the reasons for the recent bombastic declarations of Tokyo officialdom on the Government's objectives as well as the exaggerated statements regarding the progress of the Imperial troops and the success of efforts at rehabilitation of occupied areas.

Mr. Kajiwara started out by stating that Japan had been confronted with grave crises on several occasions in the past half century and on each occasion had found a golden opportunity for national development. In the present conflict the people of Japan were again buoyed up and showed a united front because of the expectation of another epochal advance toward the attainment of her object to "bring Asia back to self-consciousness." The early victories achieved by the Japanese forces in North and Central China confirmed the general impression.

But the national unity now displayed is not similar to that which was displayed on the occasions of the Sino-Japanese war of 1894-1895 and the Russo-Japanese war of 1904-1905. To quote directly from Mr. Kajiwara'a article, "so far as the present Sino-Japanese conflict is concerned, the Japanese people at large, though evidently putting up a united front, are neverthless entertaining a feeling not altogether unadulterated!"

Two reasons were cited for this feeling: The people were not fully alive to the character of Japan's military action and permitted themselves "to feel their superiority, military, financial and economic, to the Chinese." Another, possibly more important reason, is that the Japanese people now entertain serious doubts as to the Government's real attitude toward the Incident."

In the first place, the Japanese Government —according to Mr. Kajiwara—clung to a policy of localizing the conflict for a period of three weeks after the outbreak of the incident, thus causing mistrust on the part of the people at large who were smarting under the sense of injury resulting from provocative anti-Japanese actions (as reported in the Japanese press). These doubts, however, appeared to be dispelled by the Government's statement of July 27 that it was compelled to take military action in self-defense. But, continued the writer, the lukewarm attitude caused a recrudescense of doubt and discontent on the on the part of the people. The Imperial Conference, held in the presence of the Emperor on Jan. 11, again drew the attention of the people. Five days later it was announced that there would

be no further dealings with the Kuomintang Government. The meaning of this statement remained obscure until the chief secretary of the Cabinet announced that it was the Government's intention not only to sever diplomatic relations but also to "extirpate" the Chinese Government.

The doubts of the people (in the Government's objective) should have then been cleared away, but still the people were not satisfied. They had expected the Japanese military forces to attack Canton immediately after the fall of Nanking. But no attack was made—even in January—and this irritated the people and made them doubt the sincerity of the Government. "Yet the people waited patiently, trusting that the most appropriate and effective steps would be taken as a result of the January statement." But this expectation of the people still remains unrealized. Military operations in Shansi and Shantung have, no doubt, made rapid progress since February and "have purturbed the enemy forces." But these actions should be understood as efforts to connect the occupied areas of North and Central China as well as to restore peace in Central China.

To quote again Mr. Kajiwara's exact words, "to attack and occupy Canton is indispensable for the complete destruction of the Hankow regime; therefore it goes without saying that so long as Canton is in the hands of the Kuomintang Government, China will be able to continue to offer long-term resistance with an ample supply of munitions obtained through Hongkong from Britain and other Powers."

How is it then that Canton is still left unmolested? "We are at a loss to know exactly why!" Mr. Kajiwara then explained that the most cogent reason was the Government's hesitation to provoke Britain. Many believed it would be unwise to provoke and quarrel with Britain when Japan was engaged in a large-scale war with China. "Would it be possible to find a satisfactory solution for the China problem without provoking Baitain who has been persistently and obviously keeping up actions hostile to our country? Are not Japan and Britain in a state of near-war in China?"

> "Since the fall of Nanking, our Government has been insisting that the nation as a whole should be prepared for a protracted war. China's preconcerted operations are unquestionably for long-term resistance, while Japan must endeavor to conduct a quick and crushing war to make short work of the Chinese Government. This we must achieve by every possible means. While preparing ourselves for a three to five-year war, we must concentrate our energy upon the task of bringing the hostilities to an end by crushing the anti-Japanese elements in China. The good and honest people of Japan are feeling somewhat dissatisfied with the Government's lukewarm attitude. They are fully aware of the differences between the Government's sayings and its doings; between its precepts and its practices. They are not quite sure that the Government is not sticking to the policy of not allowing the conflict to spread further afield, although they would like to give it the benefit of the doubt. The crisis confronting Japan is, therefore, not so much from the Sino-Japanese conflict itself, as from the people's worry and fretfulness born of such doubt."

The writer then stated that Hitler's speech in the Reichstag and the resignation of Anthony Eden in England had a stabilizing effect in Japan. The Japan-German-Italy pact against the Comintern "was only right for Japan; Japan must spare no pains to strengthen the Tokyo-Rome-Berlin axis . . . but Japan must not, in her eagerness to adore Nazism and Fascism, lose sight of her own position . . . Likewise it was not advisable to depend solely upon the goodwill of Germany and Italy to the utter disregard of Japan's stern attitude of self-protection and independence."

In concluding, Mr. Kajiwara said that while some believed that strained British-Japanese relations would improve in the near future, and in consequence urged a policy of fostering friendship with Britain, he regarded it as highly improbable that "Britain would condescend to meet Japan halfway, oblivious of her investments in China reaching Yuan 3,500,000,000 . . . what is likely to happen is that Britain will . . . protect her vested rights and interests in China far more skilfully than she did when Eden was Secretary for Foreign Affairs . . . While present British diplomacy respects Japan's position in East Asia, it will doubtless also aim at checking the penetration of Japanese influence into the continent as much as possible.

Since the Japanese nation, according to the writer, was making such enormous sacrifices on the firing line and behind it . . . the Government must do its best not to disappoint the hopes of the people. It must inform them exactly how things stand regarding the Sino-Japanese hostilities . . . the only way for the Government to surmount the difficulty is to translate its statements into practice . . . so the people at large may be satisfied."

Another article in the May issue of another popular Tokyo magazine *Chuo Koron*, devoted attention to the political unrest now prevailing in the Capital. The writer, Ken Ekoo (pseudonym) forecasted one of three things: The Cabinet may continue as at present constituted for a while longer; the Cabinet may be able to reorganize itself; the Cabinet may resign en bloc. The chief reason why Premier Kenoye does not resign is his inability to find a suitable successor. Of the possible successors, Baron Hiranuma is regarded as more logical than Gen. Ugaki, who was turned down by the military general staff, prior to Prince Konoye's appointment. Konoye has been ill, or at least has been confined to his carefully guarded

Ogikubo detached residence almost continuously since April 2. Sensing stormy times ahead, Prince Konoye's friends want him to resign now, otherwise he will become involved in the formation of the next budget, a next-to-impossible task. Konoye's friends want him to get out "without spoiling his career." The sole remaining Elder Statesman, Prince Saionji, also is said to favor Konoye's retirement now. Prince Konoye was described by the writer of the article as a man of "such good naturedness, which sometimes seems to border upon weakness of character." At the conclusion of his article the writer said that it was difficult to conduct state affairs "with the present organization of the Cabinet." The two most aggressive members of the Cabinet, Home Minister Suetsugu and Justice Minister Shiono, recently tried to induce Premier Konoye to reorganize the Cabinet, but rather than face the task the Premier retired to his residence where he remained in practical seclusion.

It is, of course, realized everywhere that Prince Konoye is a weakling who has served as a convenient figure-head or puppet for the military elements who have had two chief objectives in view: The conquest of China and the establishment of a military fascist dicatorship in Japan. While the conquest of China has not gone over as planned, the military clique has almost succeeded in its program at home. The passage and partial enforcement of the National General Mobilization Law gave the military elements almost complete control of the nation, while the so-called military secrets law together with the mobilization law completed the process by giving the Government complete control of the press. Article 20 of the Mobilization Law gives the Government power to restrict or prohibit publication of articles in newspapers or other publications and in addition the government may prohibit the sale or distribution of newspapers or other publications and may confiscate any publication which is considered to have impeded the enforcement of general mobilization. It is likely now that the war party has practically completed its program at home, it is preparing to drop Prince Konoye.

Dangerous Elements Involved in Wang Keh-min's Intrigue with the Japanese

ENDING his one-week tribute-bearing trip to Tokyo, Wang Keh-min, Japan's chief puppet in North China, returned to Peiping on Monday. He announced he had concluded important negotiations with Tokyo officials and had reached full understanding on the terms of co-operation between his puppet regime and Japan.

Aside from superficial reports on his activities, what Wang did in Tokyo remains a closely guarded secret. It is generally believed that he assisted in the drafting of a treaty, but whether he signed any documents trading off North China is impossible to verify at present. It is more or less certain that he promised the Japanese everything which they demanded. The Japanese have long wanted to legalize their occupation of the northern provinces and their economic program in this region. This may have been the mission which Wang was summoned to Tokyo to fulfil.

Wang departed from Tokyo for Peiping on May 8, traveling by train to Fukuoka, where, the following day, he flew to Tsingtao in a Japanese plane and returned to Peiping the same evening.

While in Tokyo, Wang interviewed most of the members of the Japanese Cabinet. Prior to departure, he issued a farewell message, expressing his gratitude to Japan for her "sympathetic attitude." To demonstrate his gratitude, Wang donated Yen 50,000 to the Japanese Navy and a similar sum to the Army for the relief of Japanese officers and men wounded while ravaging Wang's own country.

Wang's conversations with Japanese officials threw considerable light on the purpose of his trip and what the Japanese expect of him. According to *Domei*, during his 40-minute interview with Gen. Gen Sugiyama, War Minister, Wang agreed to the following:

1. Joint efforts to ensure collapse of the Chinese National Government;
2. Complete co-operation between the Peiping Provisional Government and Japan for the establishment of peace in the East;
3. Opposition to communism and anti-Nipponism. The Provisional Government will endeavor to realize co-operation with Japan in the fields of politics, economics and culture.

Responding to Wang's appeal for help, Navy Minister Admiral Yonai assured Wang that the Japanese Navy would heartily co-operate with the Peiping Provisional Government, whose policies of pro-Japanism and anti-Communism have "won highest respect." Admiral Yonai also promised that the Japanese Navy would exert efforts "to deal a fatal blow to the National Government."

Next, Wang appealed to Foreign Minister Koki Hirota for continued Japanese assistance in "securing China's national defence." Wang said he fully shared Hirota's view on maintenance of peace and order in China as well as for national defence in general. "China would have no alternative but to depend on Japan's armed forces." Wang also expressed appreciation for Japan's efforts in reaching an understanding with Great Britain on the Shanghai customs question, which, he said, was satisfactory to the Peiping regime. Finally, Hirota said that Japan's three basic principles would soon be realized as a result of military operations in China.

In his conversation with Finance Minister O. Kaya, Wang assured him that the Provisional Government would co-operate with Japan and Manchukuo "to bring about lasting peace in the Orient." Especially he emphasized to Kaya that the Peiping regime was planning to promote export of North China coal to Japan. In return, Kaya told Wang that Japan would spare no effort in achieving effective economic co-operation with a new China Government.

What was discussed between Wang and Premier Prince Konoye was not reported in the papers. Wang was entertained at dinner by Konoye, but their conversation was not disclosed.

Wang also conferred with Baron S. Goh, Japan's industrial magnate, chairman of the Japan Economic

Federation and chairman of the organizing committees for the projected North and Central China Development Companies.

With Wang back in Peiping, it will be interesting to watch future developments. Probably the Japanese will keep Wang as No. 1 puppet in the North, at least as long as he is able to carry out the dictates of the Japanese militarists. As reported last week, Japan has already chosen another puppet, Gen. Chin Yun-peng, ex-Shantung warlord, if Wang should fail to live up to Japanese expectations.

Addressing (May 7) a gathering of Japan's provincial governors, Koki Hirota predicted "early collapse of the Chiang Kai-shek administration." He urged the provincial governors to co-operate with the Government in further strengthening national determination to carry on protracted hostilities in China until Japan's objective was attained. He said that Japan must overthrow the Chiang Kai-shek administration and ensure the successful settlement of the China Incident by mobilizing all available resources of the nation, moral and material. He pointed to the heavy sacrifices Japan must pay in men and money to attain her objective, as well as the delicate international situation in regard to the China Incident, which Japan must watch continuously.

Chou En-lai, Communist leader, who was recently appointed a vice-minister of the newly-inaugurated political department of the military affairs commission of the Government at Hankow.

Referring to the attitude of foreign Powers Hirota said that both Germany and Italy had been friendly to Japan as signatories of the tripartite anti-Comintern pact. He intimated that Germany, which offered to mediate sometime ago and promised to recognize "Manchukuo" somewhat later, was now making "a friendly move in a more vigorous manner."

Apparently, Hirota was somewhat out of touch with prevailing opinion in Germany, because despite his intimation of a friendly move "in a vigorous manner," the Germans evidently do not have a very high opinion of Japan's show of martial strength in China. According to a *United Press* message from Berlin, Japan's difficulties in China are causing some officers of the German General Staff to doubt the advisability of continuing to look toward a German-Japanese military alliance implied in the tripartite anti-Communist Pact. Public opinion in Germany was becoming increasingly Pro-Chinese. The German General Staff was said to be highly skeptical of the value of Japan's aid in a general war, judging by her record in China. The Germans were, therefore, determined to continue supplying war equipment to China. At the same time, there has been no more talk of re-calling German military advisers with the Chinese Army.

Fresh from his harrowing experiences in China, Vice-Admiral K. Hasegawa, ex-Commander-in-Chief of Japan's China Sea Fleet, appears to be more realistic, than optimistic regarding the China situation. "I am not returning in triumph," he told his interviewers in Tokyo. "I am merely proceeding to a new post." Japan must mobilize all available resources to overthrow the Chiang Kai-shek administration. Sino-Japanese trade or post-war rehabilitation must remain of secondary importance until Japan gains victory. Hasegawa apologized to Emperor Hirohito for casualties sustained by units under his command during the hostilities at Shanghai.

Japan's latest "peace" talk was to the effect that Gen. Chang Chun, vice-President of the Executive Yuan, had gone to Shanghai in company with Sir Archibald Kerr, British Ambassador, to enter into peace discussions with the Japanese. But Gen. Chang who recently visited Hongkong said "These efforts at propaganda are fantastic but are probably inspired by ulterior motives. Our national policy of resistance against aggression has long been decided. The entire country is firmly determined to carry on the campaign of resistance and defend national territory regardless of other considerations. The efforts of the enemy to sow seeds of discord are doomed to failure."

In order to cash in on her military occupation Japan has decided to form immediately a North China Development Company (Kitashina Kaishatu Kabushiki Kaisha) capitalised at Yen 350,000,000. The Company will organize the following eight sub-companies to develop different industries:

(1) North China Railway Company,
(2) North China Harbor Company,
(3) North China Power Generating Company,
(4) North China Iron and Steel Company,
(5) North China Communication Company,
(6) North China Salt Company,
(7) North China Mining Company, and
(8) North China Chemical Company.

Under the presidency of Gen. Chi Hsueh-yuan, ex-warlord of Kiangsu, now Peace Preservation Minister in the Peiping Regime, a new Military Academy was opened at Peiping on May 10 to train officers of a new Chinese Army to preserve peace and order in North China.

A certain Gen. Li Fu-ho, Chinese guerilla leader, reported by *Domei* to have surrendered himself to the Japanese Army in March, has been appointed by Peiping as Commander-in-Chief of the 1st Route Anti-Communist Army. The Japanese will give Li a monthly allowance of $120,000.

According to the Japanese military command in Peiping, Chinese soldiers led by Wang Fu-chen, leader of Mohammedans in Antzu, 60 kilometers southeast of Peiping, who have been helping Japanese, defeated 600 straggling Chinese troops near Kunghsien on April 25. It was claimed there are about 8,000 Mohammedans in the Antzu, Yungtsing and Wutsing area, of whom 2,000 are armed.

Three hundred Mohammedans residing in Japan and others who have come from Egypt, Arabia, Turkey, India and China met on May 10 in an international conference at Tokyo, preparatory to attending inauguration ceremonies for the new Mohammedan mosque on May 12, according to *Domei* report.

Among the delegates, it was interesting to note, was Prince Seiful Islam Al-Hussein of the Arabian State of Yenmen. Passing through Shanghai en route to Japan on May 5, Prince of Yenmen declared that his visit to Japan was non-political. He declared however, that he was opposed to Communism.

The Japanese military in Shanghai are promoting co-operation of Japanese and Chinese Buddhist monks as a means of creating Sino-Japanese friendship. The Rev. Tenshio Tani, chief abbot of Hozen Temple, was recently sent to Soochow to enlist the support of Chinese monks in the organization of a Sino-Japanese Religious Promotion Society. Abbot Tani said that his mission was to realize spiritual and religious affinity among Japan, China, Mongolia and "Manchukuo." He arranged for 30 Chinese monks to go to Japan to study.

Another Japanese effort to promote friendship was in the organization of the Shinko Club in the Hongkew section. The opening ceremony was attended by

leaders of the Japanese community, officials of the Reformed Nanking Government and Chinese business men in Shanghai. The sponsors declared that Japan desires China's awakening to pave the way for the stabilzation of peace in East Asia. The Shinko Club, the statement added, was organized to conduct research and to promote Sino-Japanese amity.

A Sino-Japanese economic association was formed on May 10 at Shanghai. It is headed by two officials of the Nanking puppet regime, Wang Tse-hui and Chen Chun, Minister of Industry and of Interior respectively. The association, known as Hsin Hsin Club (New Revival Society) will promote economic relations between China and Japan.

A further China-Japan friendship scheme is being promoted by one Shang Mo-chiang, a resident of the French Concession, who is organizing a so-called "Hsin Ya Hui" (Asia Revival Society) to promote pro-Japanese, Anti-Communist and anti-Kuomintang activities in Shanghai.

Acting under orders of Nanking's Reformed Government, the Shanghai Civic Association is still trying to take over the Shanghai Chamber of Commerce and reorganize it into an "Enlarged Shanghai Chamber of Commerce," in order to extend control to various businesses in the International Settlement and the French Concession. Ku Hsin-yi, Ma Yi-liang and Shang Mo-chiang were reported active in the organization of the new Chamber.

Japanese were responsible for rumors concerning Gen. Yen Hsi-shan of Shansi and Gen. Feng Fu-hsiang. They alleged that Gen. Yen had offered to surrender to the Japanese military authorities but it was pointed out that Hankow is in constant communication with Gen. Yen who is directing operations in southwestern Shansi.

Another Japanese rumor was that Gen. Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, was "under arrest" at Hankow by order of Gen. Chiang Kai-shek on charges of plotting a *coup d'etat*, and that Gen. Sung Cheh-yuan, former Commander of the 29th Army, the reported further alleged, had been divested of official posts for complicity in the plot.

An appeal to the Chinese nation to unite in efforts to wipe out the humiliation of the 21 Demands which Japan presented to China on May 7, 1915, was made by the *Hsin Hua Jih Pao*, Communist organ, in Hankow, on the occasion of the 23rd anniversary of presentation of the demands. In connection with the editorial views of the Communist organ, it was significant to note that a serious rift apparently has occurred within the Communist Party caused by the expulsion of Chang Kuo-tao Chang is one of the most powerful figures in the Chinese Communist Party and a member of the Central Political Bureau. With Chu Teh, Mao Tse-tung and Chou En-lai, he has helped to direct the policy and affairs of the Party. His expulsion aroused considerable speculation.

While no official information could be obtained regarding the details of the rift within the Chinese Communist Party, *Reuter* stated that Chang Kuo-tao was expelled because he started a movement within the party advocating the amalgamation of the Chinese Communist Party with the Kuomintang. In other words, Chang proposed the dissolution of the Chinese Communist Party and asked the members of the Chinese Communist Party to join the Kuomintang and support the Kuomintang policy.

The expulsion of Chang was not expected to close the affair. He has a large following within the Chinese Communist Party, especially among students and workers. It was reported that a large body of the Chinese communists may follow Chang's example and join the Kuomintang. Whatever consequences may follow, it is certain that the internal dissension whthin the Chinese Communist Party may seriously weaken its power.

CHINESE FACTORIES "ENTRUSTED" TO THE JAPANESE

Shinrokuro Hidaka, new Japanese Consul-General at Shanghai broadcasted a speech for "home-consumption" in Japan, His object was to enlighten the home people regarding conditions in Shanghai.

There were several points in Mr. Hidaka's speech which also were enlightening to people on this side of the Yellow Sea and possibly elsewhere. After telling of the great work in rehabilitating the Shanghai area which is being conducted by the Japanese ministries of War, Navy, Foreign Affairs, Finance and Communications, the Bank of Japan, South Manchuria Railway and the Hsin Chung Company, the Japanese Consul-General announced that a number of important Chinese industrial undertakings such as shipbuilding yards cement companies, flour mills, soap factories and others "are being entrusted to Japanese concerns for management, or are being operated under joint-management." Chinese cotton spinning companies at Shanghai, Tungchow and Tsunming will be operated under "joint management."

But business transactions between Japanese and Chinese "have not yet become normal," said Mr. Hidaka. Aside from the Japanese cotton mills, now operating at 52 percent of capacity, only 11 out of 42 Japanese factorier are now being operated. Among those operating are an iron works, catering to the Army, and some plants manufacturing mosquito smudge.

As for Japanese trade, exports from Japan to Shanghai now exceed 40,000 tons a month. But the Consul-General neglected to state that practically all of these 40,000 tons are being brought into Shanghai without payment of duty—smuggled—is the exact word describing the situation.

Finally, he announced that Japanese subjects here are doing their best to enhance national prestige and advance Japan's national interests!

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The spokesman of the Japanese Embassy told foreign newspaper correspondents in Shanghai on May 9 that merchandise destined for the Japanese community, such as foodstuffs, is being imported "without payment of duty." Ordinary merchandise, according to the spokesman, "is not given the benefit of free entry." With the exception of merchandise destined for the use of the Japanese Army, which also is admitted free, the spokesman said that other goods "will in future pay the required duty.

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Referring to China's natural resources, the spokesman of the Embassy boasted this week that the Japanese army now control 60 percent of China's coal and iron and 50 percent of China's salt production. He referred particularly to Shansi's coal resources, said to amount to 130,000,000,000 tons; Chahar's iron deposits, said to exceed 92,000,000 tons and Hopei's iron resources, said to exceed 42,000,000 tons.

FOUR BRITONS HONORED FOR HELP IN PANAY RESCUE

The United States Senate, on May 6, passed a resolution, authorizing the Department of State to present decorations to four British naval officers who assisted in rescuing the officers, men and civilian refugees aboard the U. S. S. Panay which was bombed and sunk by Japanese airplanes near Hohsien on December 12. The Distinguished Service Medal was awarded to Rear-Admiral Beginald Vesey Holt D.S.O., M.V.O., Rear-Admiral, Yangtsze; Captain G.E.M. O'Donnell, who was Rear-Admiral Holt's Chief-of-

Staff on H.M.S. Bee at the time of the bombing. The following two officers were recommended for the Navy Cross :—Vice-Admiral L. G. E. Crabbe, who was Rear-Admiral Holt's predecessor in the command of the Yangtze Squadron; Lt.—Cmdr. H. D. Barlow, who at the time of the bombing was in command of the British gunboat Lady-bird. Captain O'Donnell has since been transferred to the British Embassy in China as Naval Liaison Officer, while both Vice-Admiral Crabbe and Lt.-Cmdr. Barlow have returned to England.

JAPANESE TO MAKE CIGARETTES IN NORTH CHINA

The Japanese are making active plans to manufacture cigarettes in North China in the hope of shortly obtaining 60 percent of the business, according to an article in the *Hsin Shun Pao*, May 5. The *Hsin Shun Pao* is a Japanese newspaper at Shanghai published in imitation of the well known Chinese *Shun Pao*. The article stated that the British-American Tobacco Company at present controlls 89 percent of the tobacco trade in the North, with 6.3 percent controlled by Chinese concerns and 4.7 percent in the hands of the Japanese.

The Japanese are organizing two companies, one to be known as the Hopei Tung Ya with a capital of Yen 50,000,000 and the Hopei Tobacco Co., with a capital of Yen 5,000,000. Both will be owned jointly by the Japanese Tung Ya Company and the Manchurian Tobacco Company, which are in turn offshoots of the Imperial Tobacco Monopoly in Japan. It was claimed that the Chinese Provisional Government had agreed to provide special facilities enabing the Japanese concern to produce 15,000,000,000 cigarettes, which is 60 percent of the annual consumption. Factories will be constructed at Tientsin, Chinwangtao, Tsingtao and Peiping, while the Chinese Chinhua factory at Taiyuanfu has been "taken over" and reorganized.

The *United Press* on May 4 quoted the Tientsin *Yung Pao*, Japanese military organ, as stating that the British-American Tobacco Company had been induced to use Japanese Federal Reserve Bank notes to purchase last year's Shantung leaf tobacco crop, the amount involved being $9,000,0000. Of this sum $5,000,000 was in Japanese Reserve notes and the remainder, $4,000,000, in Central Government notes. It was claimed that the Japanese military authorities had offered special transportation facilities for shipping the tobacco to Tientsin.

Chiang Favors Foreign Investments

General Chiang Kai-shek, interviewed by the special Hankow correspondent of *The Times*, emphatically contradicted apprehensions that British interests in China might suffer by a Chinese victory *Reuters* reported from London, May 9. Foreign investments, he said, were not only welcome but essential in China for many years to come. Discussing the war, General Chiang refused to count his chickens before they were hatched. He said that he expected a protracted and bitter struggle, but he implied that the situation gave the Chinese grounds for "cautious optimism."

Like other Northern leaders who had been interviewed by *The Times'* correspondent, the Generalissimo drew particular attention to the "deterioration of Japanese morale." He cited usually reliable Chinese Intelligence reports on "daily suicides in the Japanese forces."

In a leader, *The Times* declared that the Japanese were clearly encountering the greatest difficulties in Central and Northern China. "The present situation," The Times states, "is comparable to that of the British armies in France in the later stages of the Hundred Years War, in the 14th and 15th centuries. For a long time superior armament, discipline and leadership gave the Islanders great advantages and startling victories. The superior number of the French, however, and the growth of national spirit prevented the victories from proving decisive. "Ultimately," the journal concludes, "the French, having learnt to fight from the invaders, drove them from all of France, except Calais."

New U. S. Consul-General Started His Career as Newspaperman

Frank Pruit Lockhart, U. S. Consul-General at Shanghai, who was transferred here from Peiping where he served as Counsellor of Embassy, started his career as a newspaper editor in his native state of Texas. He was born in Pittsburg, Texas and was graduated from Grayson College. After two years in journalism, Mr. Lockhart went to Washington as secretary to a member of the House of Representatives and later in a similar capacity to a member of the Senate. He also served as clerk to important committees in both houses of America's chief law-making body.

Frank P. Lockhart
U. S. Consul-General

In 1914 Mr. Lockhart joined the State Department as assistant chief of the Division of Far Eastern Affairs and has been connected with that department continuously since. He was attached to the American delegation at the Washington Arms Conference as an expert and later became chief of the Far Eastern Division. In 1925 Mr. Lockhart received his first consular appointment at Hankow, serving simultaneously as a member of the secretariat of the American delegation to the conference on the Chinese tariff. In 1931 he went to Tientsin as Consul-General and in 1935 he was transferred to Peiping as Counsellor of Embassy, one of his duties being a daily conference with representatives of the press.

Mr. Lockhart assumed the duties of American Consul-General here upon the departure of Clarence E. Gauss for Washington on leave last week. In addition he will serve as a member of the Consular Court, the other members being H. Phillips, British Consul-General, Chairman; S. Hidaka, Japanese Consul-General; and E. A. Long, Secretary.

Great German Pacifist Dies

A great German pacifist and the last recipient of the Nobel Peace Prize died, when Karl von Ossietsky succumbed to meningitis at the age of 48, in Berlin May 4. Founder of the "No More War" movement in Germany, Herr von Ossietsky was awarded the Peace Prize during his internment in a concentration camp. As editor of the weekly review "Weltbuhne," he had been sentenced to eighteen months' imprisonment in 1931 for having published an article in which the writer sought to prove that Germany was violating the military clauses of the Treaty of Versailles. After serving seven months, he was released under the terms of a general amnesty.

Refusing to escape from Germany when the Nazis seized power in 1933, Herr von Ossietsky was at once arrested and imprisoned without trial in Papenburg concentration camp. On his complete collapse, he was transferred in November, 1936, to a public hospital. The award of the Nobel Peace Prize to Herr von Ossietsky, who had been commended for this honor by many leading men, especially in England and France, aroused a storm of protest in Germany and Party circles. A statement issued by the official news agency called it "an insult to Germany."

Ionin, Levitsky Found Guilt

Imprisonment terms and fines were imposed on Moris Levitsky Joseph Ionin, Michael Paderevsky and C. A. Castro, by the First Special District Court May 5 on charges of fraud. The accused are understood to have filed notices of appeal. The sentences passed on the four accused were: four years' imprisonment and $2,000 fine for Moris Levitsky; six years and a fine of $3,000 for Joseph Ionin; one year and six months for Michael Paderevsky and one year and four months with a $1,000 fine for C. A. Castro Found guilty of fraud charges, the accused also lost the civil suit filed against them by the complainants. Both Levitsky and Ionin are to pay back $9,660 with 5 per cent. interest to a British broker, while Castro is to return to Chinese complainants a total of $9,000. An injunction order on the property of Levitsky and Ionin is to be executed in case of their failure to return the money.

Japan's Ten-Month Lesson in Warfare

JAPAN this week moved its war of bombs and propaganda leaflets southward to the Treaty Port of Amoy, while in Southern Shantung its forces still continued to battle for Hsuchow—the important junction of two railways. With progress on the northern front somewhat brighter, Japanese warships, on May 10, began a bombardment of the Amoy forts, landing troops under the cover of fire. During the shelling, the Chinese forces in the defending trenches retired and hid. The Japanese, thinking they had dispersed the Chinese troops, landed a force of 500 imen in small boats. Severe fighting then ensued in which more than 100 Japanese were stated to have been killed and 75 captured. While the battle raged, Japanese planes dropped leaflets on the Kulangsu International Settlement, in Amoy Island. These intimated the intention of the Japanese to occupy Amoy Island, in which Amoy stands, and to drive out the Chinese forces there. The leaflets requested foreigners to leave Amoy Island and foreign ships to evacuate from near-by waters. Every care, the leaflets promised, would be taken to safeguard the interests of third Powers, but foreigners and ships remaining would do so at their own risk. Japanese planes were busy throughout the day bombing. Amoy University was struck and suffered damage.

On May 11, after severe fighting, the Japanese had not yet completely occupied Amoy Island. Time and again, Chinese repulsed Japanese drives, which had been reinforced during the day.

South China Attack Seen

Chinese circles believe that a general attack upon South China is about to begin. They believe that the appointment of Gen. K. Matsui, former commander-in-chief of the Japanese troops in Central China, has brought about this decision. According to Japanese plans, they will attack Amoy, Changchow and Lungki in an attempt to send their troops to Kiangsi Province, Chinese declare. Another column will attack Swatow in an attempt to cut the Canton-Hankow Railway, the most important railway line operating in China now with thousands of tons of ammunition sent to Hankow from Hongkong every day. In addition, the Japanese navy will attack different points of the Kwangtung, Fukien and Chekiang coast, in order to distrub the general peace in the entire area. In view of these plans of the Japanese military and naval authorities in South China, General Chen Yi ,Chairman of the Fukien Provincial Government, has moved the provincial capital from Foochow to Yungan in the middle of the Province. Yungan is connected by highways with Kiangsi, Kwangtung and other parts of Fukien. Strong defence works have been built there in the past few months.

But the attack on Amoy was to be expected. It was the repetition of an old story. In the last three or four months, the army has been receiving all the glory, the navy none. The navy must show up once in a while or, mayhap, Tokyo, in pondering naval budgets may forget the importance of the Imperial Japanese Navy. The Amoy attack also served to divert the world's attention from the almost daily backwash of their armies in Shantung, Shansi and Chekiang.

Japan's ten months of war in China has shown them one certain thing: that China could not be conquered in one swift blow, as the Tokyo's military "brain trust" so thought at the beginning of the war in China. The Chinese in the last three months have offered Japan the stiffest resistance they have ever encountered in their military history. Even China surprised herself at her growing military might. The greatest surprise, however, came to Japan when she slid up against the "stonewall" of Chinese resistance.

Japan's Frustration

Originally, Japan planned to conquer China by dealing a quick blow to the Chinese forces, but the events in the past ten months prove that the Japanese plans were frustrated and defeated. Japan has already sent more troops to China than she had originally planned. But, while China's power or resistance is mounting day by day, the morale of the Japanese troops is sinking daily and show that the latter have actually lost their self-confidence.

Referring to the hostilities in southern Shantung, a Chinese spokesman said this week that the main center of the Sino-Japanese hostilities is still on the Tientsin-Pukow Railway front. The Japanese still aim to capture Hsuchow, junction of the Tientsin-Pukow and Lung-Hai Railways, and secure complete control of the Tientsin-Pukow Railway. So far, however, the Japanese efforts to bring about a junction of their two armies in the Northern and Southern sections of the Tientsin-Pukow Railway have failed. The first attempt was made by the Japanese in April, but on April 7 the Chinese inflicted a heavy defeat on the Japanese at Taierhchwang, strategic point in southern Shantung to the north of Hsuchow. In order to avenge this defeat, the Japanese have since transferred large reinforcements to southern Shantung from other fronts, but the Chinese have also taken the necessary steps to meet the second Japanese offensive and are ready to inflict another and more disastrous defeat on the Japanese. However, even if the Japanese should ultimately succeed in capturing Hsuchow and securing complete control of the Tientsin-Pukow Railway, their position would hardly be improved, for the Chinese would find it easy to cut the Japanese line of defence filong this Railway at any point in order to divide and exhaust the Japanese strength.

The Japanese are meeting with insuperable difficulties not only on the Tientsin-Pukow Railway front, but also on all other fronts, the spokesman added, for the Chinese are making intelligent use of all the natural advantages at their disposal in order to ensure victory in the end. In reference to international sympathy for China, Japan is not only making no headway in her invasion of China from the military point of view, but is also isolated diplomatically. In proportion as the Chinese power of resistance increases, foreign sympathy for China is also increasing. The moral support of the civilized world is a powerful factor operating in China's favor.

Valuable Experience Gained

Since the campaign of resistance was launched on the entire front, China has gained much valuable experience not only in the military but also in the political field. Both politically, economically, and socially, the country has been placed firmly on a war-time footing while the masses of the population are being organized in order to facilitate the campaign of resistance. The spirit of internal unity and cooperation is permeating the entire nation, observers report. The entire people place implicit confidence in General Chiang Kai-shek; and a new and gigantic power has been engendered among the masses to tide the country over one of the most important crises in its history. Moreover, the munitions industry in this country has been reconstituted and placed on a firm foundation, while the man-power of this great nation is inexhaustible. In view of these indisputable factors, the outcome of the campaign of resistance, in the minds of the Chinese people, is no longer in doubt. But its ultimate outcome is far from being decided at the moment.

With reference to the situation on the Eastern front (Kiangsu-Anhwei-Chekiang), observers report that the special terrain in that

HOSPITALS IN HOKURIKU REGION CROWDED WITH WOUNDED

These pictures, reproduced from the *Osaka Mainichi*, show Lieut-General Prince Asaka of the Royal Family, visiting wounded officers and men in hospitals in Japan. The picture at the top show the Prince at the Fukui emergency-temporary branch of the Sabae Army hospital. The picture at the bottom is another view from the Sabae Army hospital. More than 4,000 wounded Japanese soldiers from the China front who are convalescing in hospitals in the Tokyo district, were taken on a tour of the Shinjuku Imperial Gardens on May 11 add 12 where they were greeted personally by Emperor Emperor Hirohito. The prefectural govenors of Japan, who were holding a conference in Tokyo at the time, were also present, and according to the account in the *Asahi*, "all were filled with awe and gave way to tears."

sector is causing great difficulties to the Japanese. Recently, for instance, seven Japanese detachments, proceeding by seven different routes, attempted to capture Kwangteh, strategic city in eastern Anhwei, but without success. Each of these detachments was defeated by the Chinese defenders, who inflicted heavy casualties on the enemy. The Chinese have now advanced to the vicinity of Ihsing and Liyang, in south-western Kiangsu. The Japanese in that sector are now forced to remain on the defensive. It will not be surprising if the Chinese should recapture the entire Kiangnan area (south of the Yangtsze River) in the near future, Chinese military experts believe.

Guerilla Activities

The speed which Japan rushes her troops hither and you, with no attempt to consolidate positions between major fronts, leaves her easy pickings for Chinese guerilla troops.

A Chinese mobile column has crossed the Great Wall into China Proper and is at present attacking Changping, on the Peiping-Suiyuan Railway, only 22 miles northwest of Peiping. The column in question, which has been operating in the region where the borders of Shansi, Suiyuan and Chahar meet, is stated to have occupied Chinglungchiao, on the Peiping-Suiyuan Railway, on May 4. From there it is said to have advanced in the direction of Changping, to which it has now laid siege. Another Chinese mobile column is officially reported to be attacking the town of Yang liuching, on the Tientsin-Pukow Railway, only nine miles west of Tientsin. A third column is stated to have occupied Shachen and Hsiahua-yuan and to be attacking Hsuanhua, just below the Great Wall, 80 miles east-northeast of Peiping.

Having occupied Tangtu, the Chinese mobile units on the Central China front pushed forward to Kiangnin, 6 miles from Nanking city, this week. On May 2, Chinese guerillas succeeded in entering the Nanking city and engaged the Japanese troops there for a two-hours of street fighting. The s.s. Pingan, a Japanese steamer plying between Pinghu iand Chapoo was reported sunk this week by Chinese guerillas off the coast of Hungnichen, a small village. All passengers aboard the steamer, it is stated, had been asked to go ashore before the guerillas sank the vessel. The village has been levelled down by Japanese artillery fire. Meanwhile, Chinese mobile units are said to be very active in the Pinghu sector, where severe fighting is still in progress. Chinese guerillas launched a night attack on the Japnaese garrison forces at Changchipang in Pootung last week. Outnumbered by the attackers numbering 300 strong, the Japanese immediately sent for reinforcements. Machine-guns and tanks were then brought into play. But due to darkness the Japanese naval landing forces could not locate the guerillas who lay in ambush at various vantage points.

The port of Nantungchow on the north bank of the lower Yangtse and about 65 miles from Shanghai has been the scene of one of the most bitter battles that has yet taken place in this area between Chiknese guerillas and Japanese troops, according to information obtained by *The China Press* this week. Ship's officers and crew arriving in Shanghai from vessels traveling along the river in that area reported that the fighting started about three days ago, adding that 3,000 guerillas are estimated to be in the town while the strength of the Japanese garrison at the time the fighti started was said to have been about 300.

Yunnan Troops Arrive

After a long march along the new route via Suifu, one division of Yunnanese troops has arrived in Chungking en route to the war zones. The men are now temporarily billeted there pending transportation downriver. The division is understood to be the first of three coming by this route. Wearing steel helmets and clad in khaki, the Yunnanese have created an excellent impression locally owing to their good physique, orderly behavior and intelligence.

Kwangsi Sends One Million Troops

The fourth batch of men mobilized in Kwangsi who received military training in the past few months, numbering 1,000,000, will be sent to the front in two groups. The first group of 500,000 men will leave sometime in May.

Japanese Aircraft Spend Busy Day

Spreading their wings over North and South China, Japanese naval aircraft on Tuesday carried out one of the most extensive schedules of raids since the commencement of the hostilities, *Domei* reported May 11. At about noon, a unit of crack naval planes, commanded by Lieut. Goro Katsumi, bombed the station buildings at Hsuchow, the pivot of the Chinese lines in Shantung.

Of the more than 100 bombs dropped by the raiders, many hit military supplies stored in the vicinity of the station. Much ammunition, he said, was seen burning. Direct hits were also assertedly scored on station buildings, the compound of the station and a concentration of trucks.

Shortly afterwards, another naval air unit, commanded by Lieut.-Commander Hitoshi Tanamachi, paid another visit to Hsuchow. The aircraft, the spokesman declared, carried out a "most thoroughgoing" bombing of several hundred freight cars and of a vast quantity of military supplies stored near the station. Other planes, meanwhile, bombed the Tientsin-Pukow Railway, between Kuchen and Suhsien, completely destroying one freight train and demolishing the better part of another, he said. Heavy damage was caused to the hangars and runways at the Tienho and Paiyun airdromes, in the vicinity of Canton, by a naval air unit operating in Kwangtung. Extensive raids were also carried out upon airfields in Fukien, where visits were paid to Lungyen, Changting, Foochow and Kienow. Japanese naval aircraft also assisted in the operations on Amoy island.

Reports on Japan's Air Losses

Reports on Japan's air losses are coming into Shanghai with growing frequency—from Chinese sources, from foreign and even in the unguarded admission of Japanese themselves.

Seventy-five Japanese airplanes were destroyed, either during airraid combats or by Chinese anti-aircraft fire, during the month of April, according to a communique issued by the Chinese Aviation Headquarters. Thirty-nine Japanese machines, the communique added, were shot down by Chinese pursuit planes, 31 caught fire in midair and crashed in flames, while five were destroyed by anti-aircraft fire.

During the Hankow air battle late in April in which Japan's air losses have been placed between 24 and 36 planes, Japanese have admitted publicly several losses. The following brief but significant item appeared in the *Tokyo Nichi-Nichi* on May 5: "Captain Fuji Hayashi, whose plane fell within the enemy lines due to damage by Chinese aviators, immediately set fire to his plane and killed himself." The brief reference to the tragedy in the *Nichi-Nichi* did not give the location of the incident, merely stating, "Report from a certain base."

At an unnamed Japanese air base, *Domei* reported, pilots mourned the death of Flight Warrant Officer Kenichi Takahashi, second class, who dashed his plane into a Chinese craft, causing both to burst into flames and plunge to the ground. Some of the Japanese pilots considered Takahashi the "best tactical air fighter in the world." He is said to have distinguished himself on many raids in company with Lt. Shusei Igarashi since he first saw service in China on Aug. 15, 1937.

Deny Surrender Report

"It could not have happened." This was a Japanese naval spokesman's comment this week on a report circulated by the Chinese semi-official International News Agency in Hongkong asserting that 12 Japanese fliers in seven airplanes had surrendered themselves to the Chinese at Tailong. The report further claimed that the Japanese airmen said they were unwilling to "carry out wanton and brutal orders to bomb defenceless and innocent people."

"All our planes," the spokesman said, "are active and the morale of the fliers is very high."

Nine Bombings in March

The Commissioner of Police, S.M.C. reported May 6 that the total of 1,544 cases of crime dealt with by the Police in March showed an increase of 161 in comparison with that for February and a decrease of 753 as compared with the figure for the corresponding month of last year. The increase is accounted for by the various in the length of the months of February and March.

The report noted in part:

On March 4, a "potato masher" type hand grenade was thrown into the office of the defunct *Li Pao*, a Chinese-language newspaper, on Kiukiang Road. The missile exploded and caused some damage to the glass panes of a door and window and injured four pedestrians. The same office was the object of another attack on March 27, when one crude incendiary bomb was found burning immediately outside the rear entrance. On March 11, a hand grenade of an unknown type was thrown at and exploded outside the premises of the Tah Ping Yang Printing Office on Burkill Road without causing any injury to any person, only slight damage being done to property. On March 16, a "cigarette tin" type bomb exploded in the middle of Nanking Road without injuring anyone or causing any damage.

On March 19, a hand grenade was thrown by some person unknown into an alleyway off Foochow Road. It exploded behind a lodging house causing slight injuries to two persons. On March 22, three male Chinese in a closed motor car, approached the office of the *Standard Daily News*, a Chinese language newspaper, on Foochow Road, held up the C.P.C. on duty there, with a pistol, disarmed him and threw two bombs into the office, both of which exploded, wounding the C.P.C. and a pedestrain on the road. The culprits escaped by the same motor car. On March 25, a "cigarette tin" type bomb exploded on the south side of Nanking Road without causing any damage to property or to persons. Another bomb of similar type was found unexploded on the pavement near by.

On March 29, a hand made bomb exploded in the grounds of the Italian Consulate at the corner of Bubbling Well and Chengtu Roads without injuring anybody or causing any damage to property. It is not known whether the bomb was thrown purposely into the Consulate grounds or as a means of disposal of the dangerous article by some terrorist on the approach of a police search party. On March 30, a bomb exploded on Yu Ya Ching Road opposite the New World Building, causing slight injuries to two pedestrians.

BIRDS OF A FEATHER—PIRATES AND PUPPETS

The Japanese gent whose face and two teeth are seen on the extreme right has just jerked the strings and the mustache puppet lifts his glass barely off the table; the Pirate Queen, Miss Huang Pa-mei, now under the pay of Japanese and who has pirated and smuggled everything from a soy bean cake to a shipload of opium, responds in approved marionette fashion while the bespectacled puppet allows his arm to be hoisted upward. The other arm and glass is a part of a puppet whose strings got twisted and was jerked backwards.

Miss Huang Pa-mei, the 33-year old "Queen of Pirates," is a buccaneer no longer. She has given herself and her 6000 men followers up to the Japanese Army and has promised to cooperate in combating the Nationalist Government, according to Japanese reports.

A fierce-looking, little woman,—she arrived here on last week for interviews with officers of the Japanese Army's Special Service Section and officials of the Reformed Government. She left Friday for Fenghsien, a small town between here and Hangchow, where for the past 15 years she has had her headquarters. On May 5, she was the guest of honor at a banquet given by officials of the Reformed Government at the Kuanchen Restaurant, Wuchang Road.

Miss Huang became a pirate at the tender age 18, when she joined a band led by Taipao A-szu, whose name still sends a shudder down the spines of fisherman in the China Sea. When Taipao died, several months ago his men unanimously installed the woman in his exalted position.

Radio Broadcasting Friction Still Unsettled

Contrary to the newspaper reports, the problem regarding registration of the local Chinese broadcasting stations with the Japanese Radio Superintendent's office has not been solved according to the Japanese *Domei News Agency*, on May 9. "Reports to the effect that the Japanese authorities have given up the right to control the Chinese radio stations in the Settlement were fabricated by the Shanghai Municipal Council. The Japanese authorities have decided not to discuss with the Council in the future and will take direct actions to exercise their right over the Chinese radio stations," *Domei* said.

"The Japanese authorities will point out to the Shanghai Municipal Council that: (1) The Japanese authorities will not recognize the right of the Municipal Council to control radio stations, (2) Japanese authorities have on intention to control Chinese radio stations jointly with the Municipal Council, (3) Japanese authorities have not given up the right to demand registration of the radio stations, and (4) the Japanese authorities hold a different attitude regarding the Japanese Radio Superintendent's office.

On May. 6, the *Shanghai Evening Post & Mercury* reported that about 10 Chinese radio stations were functioning as usual despite the fact that May 5 was their deadline for registering with the Japanese. None' however, registered. Nor was any arrangement reached between the Shanghai Municipal Council and the Japanese authorities on the matter, though the Council heard a report from its chairman on May 5 on the negotiations. It is unlikely that the Japanese will take forceful measures to make the stations comply, the *Post* said. It was believed that a tentative arrangement is near whereby the stations do not register with either the Japanese or the S. M. C. but they have been warned that anti-Japanese propaganda on the air will probably result in their closure. Especially those stations which broadcast news will be watched by the Japanese to see that their programs and comments do not get out of hand. The other stations which have already closed rather than comply with the Japanese demands are still waiting and watching to ses what the outcome will be before resuming business, the *Post* noted.

Radio Station Opened in Peiping

A new radio broad casting station was opened in Peiping May 5. The first day's program was started with the singing of the Japanese national anthem by children of the local Japanese primary school.

Roosevelt Asks for Better World Order

An earnest appeal to the nations of the world to make "a joint effort to construct new and better world order" was made by President Roosevelt May 8 on the eve of the meeting of the Council of the League of Nations. The message was read over the wireless by Mr. Cordell Hull, Secretary of State.

"Co-operation in a solution of economic problems," the President declared, "offers one practical approach to the task, which the world must undertake. There is a general growing realization that no nation or group of nations can enjoy prosperity or plenty when a large part of the world is in economic distress."

The League Council meeting opening May 9 had several important questions to deal with, especially in connection with Abyssinia, Spain and China, The subject of Abyssinia was expected to arouse a heated discussion. One question which is being asked is whether representatives of Abyssinia will be allowed to attend the meeting. China's appeal in connection with her dispute with Japan is on the agenda, but it is not likely to be raised in acute form at this session.

"The United States," the Chief Execuitve continued, "is pledged to a course of international economic oc-operation and will spare no effort in loyally continuing that course."

Britain's "Clever Diplomacy" in the Customs Deal

THREE important developments marked the Shanghai Customs situation this week—an aftermath of the assumption of control by the "Reformed Government" at Nanking, on May 5.

(1) The calling of a "go-slow" strike by the customs staff on May 7, and the decision to end it the following day.

(2) The seizure of Yang Wen-lung, a revenue guard, on May 9 by five armed Japanese plainclothesmen and his detention in Hongkew. On may 10, despite the reported action by Customs Commissioner I. H. Lawford, the Chinese was still being held.

(3) The reported action of Customs authorities in ordering the dissolution of the "Customs Protection Association, formed by the Chinese employees, on the grounds it was contrary to the rules of the customs administration.

On Saturday, upon the announcement that the Nanking puppet regime had assumed control of the Customs, a "go-slow" strike was declared by Chinese members of the staff. Subsequently, a cable was sent to Hankow, requesting that the Central Government define the status of the Chinese staff and give orders as to the line of action which should be adopted by Chinese employees in Shanghai.

Sunday morning's meeting was presided over by Deputy Commissioner Chiu Tso-chi and Ting Kwei-tang, heda of the Chinese secretariat, both of whom spoke in the packed clubroom, advising the continuing of normal routine, pending a reply to the telegram from the government, and pointing out that this attitude would be the safest and most sensible. Saturday morning Chinese employees arriving to work read the announcement of the "Reformed Government" spokesmen that the puppet administration had assumed control of the Customs. By 9 a.m. the Chinese outdoor staff declared a "go-slow" strike by refusing to go on duty. Gathering in the large dining room of the Customs House, the outdoor workers were later joined by the office staff.

Vigorous Chinese Opposition

The customs accord between Britain and Japan which Japanese spokesman admit was not revealed in detail to the press, brought repudiation by the Hankow government, unanimous opposition by the Chinese press throughout China. Despite Great Britain's assurances that she will respect the integrity of the Chinese Customs and that the arrangement is temporary in nature, Chinese newspapers here state, the Anglo-Japanese customs agreement is "tantamount to Great Britain's recognition of the Japanese occupation of Chinese territory." This, they add, "is deplorable in view of Sino-British friendship."

The Anglo-Japanese agreement is compared with the sale by Soviet Russia of the Chinese Eastern Railway to Manchukuo. "Since both agreements violate Chinese territorial and administrative integrity and were concluded without the consent of the Chinese Government," the newspapers add, "China cannot recognize them." The Chinese Customs revenue, they proceed, is pledged not only to holders of loans issued abroad and in China but also to a number of foreign Governments as security for the Boxer indemnity of 1901; to the American Government for flood relief, and to repay the cotton and wheat loans of 1931-33.

The Japanese press, naturally, takes a different attitude. Commenting on the conclusion of an agreement between Britain and Japan, the *Shanghai Nippo* says: "Although this agreement should be concluded long ago, the satisfactory settlement of the problem at the present time represents a diplomatic success on the part of Japan. The control of Shanghai Customs by the 'Reformed Government' in Nanking shows that Britain is willing to give concessions to Japan. This agreement is a serious blow to the National Government both from the diplomatic and financial points of view."

Three-Way Split on Revenues

In connection with the seizure of the Shanghai Customs by the "Reformed Government," observers noted with interest that E. L. Hall-Patch, financial adviser to the British Embassy in China and Sir George B. Sansom, financial counsellor to the British Embassy in Japan, who assisted in the customs negotiations in Tokyo, are now in North China making an extensive inspection of financial and economic conditions in the northern Chinese provinces.

The *Osaka Mainichi* correspondent in Peiping reported that an Anglo-Japanese agreement has been reached in which the "Peiping Government" and the "Nanking Reformed Government," and Hankow shall jointly redeem the Chinese foreign loans obtained on maritime customs revenue according to the ratio to be fixed monthly in proportion to the actual revenue of the customs under control of the three regimes during the preceding month. This rule will be applied beginning with the March, 1938, instalment of redemption which is still pending. Computed on the basis of the February, 1938, statistics of customs revenue, the ratio of redemption by the three governments will be:

Provisional and Wei Hsin governments.....40%
Kuomintang government.....60%

Of the total share of the two non-Kuomintang governments, the provisional government will be responsible for 40 per cent and the Wei Hsin government for 50 per cent. Supposing that this ratio will not show much fluctuation and that the annual customs revenue of Yen 300-million or so will decrease to Yen 200-million on account of the Sino-Japanese hostilities, the financial position of the three Chinese governments during the one-year period from March, 1938, to February, 1939, is estimated as follows:

(Unit, Yen 1,000

CUSTOMS REVENUE

Provisional government	32,000
Wei Hsin government	48,000
Kuomintang government	120,000

REDEMPTION OF FOREIGN LOANS

Provisional government	12,800
Wei Hsin government	19,200
Kuomintang government	48,000
Total	80,000

EXPENDIEURE OF CUSTOMS

Provisional government	6,400
Wei Hsin government	9,600
Kuomintang government	24,000
Total	40,000

NET INCOME

Provisional government	12,800
Wei Hsin government	19,200
Kjomintang government	48,000

It is rexpected that the actual figures will prove somewhat different from the foregoing estimate in favor of the two new governments as the imports through the Kuomintang controlled customs are destined to decrease due to the depletion of funds on the part of the Kuomintang government, while the imports by North and Central China will steadily increase with the progress of the reconstruction work there.

All Customs revenues will be deposited in the Yokohama Specie Bank instead of the Hongkong & Shanghai Banking Corporation. As there are branch offices of the Yokohama Specie Bank only in Shanghai, Tientsin and Tsingtao, plans have been decided to open branches of the bank in Chefoo, Weihaiwei, and Chinwangtao. No branch offices will be organized, however, in Nanking, Hangchow, Wuhu, and Soochow at the present time, because of the blockade of the China coast, Japanese report.

Benefit to Bond-holders

While the agreement with Japan in respect to the Chinese Maritime Customs was certainly for the benefit of bond-holders, judgment must be suspended until they saw the significance of the Agreement, declared Mr. A. W. Burkill, presiding at the annual meeting of the China Association May 5. It was vital for the future of international trade and equal opportunity in China, he said, that the Customs should function as they did before the war. The Japanese-controlled administration had brought equal opportunity to an end.

Russo-Japanese "Paper" Battles Continue

It is the height of folly to seek improvement in the relations between Japan and the Soviet Union if the latter persists in extending assistance to China, the *Chugai Shogyo*, leading Tokyo commercial newspaper, commented May 7. Such assistance, the daily said, constitutes an unfriendly act toward Japan. Referring to the Soviet's unilateral decision to close the Japanese Consulates at Blagoveschensk and Habarovsk, and other "unwarranted actions," the Chugai Shogyo declared the only way to readjust relations between Japan and the Soviet Union lies in the Soviet's "endeavor to understand the origin, development and outcome of the Sino-Japanese incident in its true light." If this were done the Soviet Union's attitude toward Japan might naturally change, the journal concluded.

Araki Raps Soviets

Activities of the Comintern and the Soviet Union must be "nullified," if the Sino-Japanese dispute is to have a "fundamental" settlement. This view was expressed recently by Gen. Sadao Araki, War Minister during the Manchurian Incident, in an article published under streamer headlines by the *Miyako*, a popular daily. Japan and China, the famed General declared, may reach an under standing, but such an accord will be meaningless as long as Russia stands behind China. Gen. Chiang Kai-shek's administration, "bent on obtaining Soviet assistance," is following a pro-Soviet, pro-Communist policy, he said. The Soviet Union, on the other hand, is supplying arms and ammunition to China, to encourage the latter to carry on prolonged hostilities, "which enable Moscow to bolshevize the Far East."

Russia's Bolshevist policy in the Orient will, however, be nullified if the anti-Comintern front is strengthened, he added. The Anglo-Italian accord, Gen. Araki declared, is both a success for Britain and a setback for Russia's campaign to "paint Europe red." Gen. Araki's expression of views, although typical of his pronouncements, excited general interest here because of his membership on the Cabinet's powerful "brain trust."

Should Realism Be the Policy of China?

BY CHOW KENG-SUNG

(In the Hankow army paper, Sao Tang Pao)*

THE so-called policy of realism can be considered as the most popular kind of foreign policy in the present world relations. Soon after the re-organization of the German army, Hitler declraed Germany's recognition of "Manchukuo," on the ground that it is an accomplished fact. Indeed, Hitler called himself a believer in realism in his proclamation issued on the occasion of Germany's union with Austria. There can be no doubt regarding his foreign policy being based upon the principles of realism.

Among the great powers with the exception of Japan, Italy is the first nation which recognized "Manchukuo," and in order to gain the gratitude of Hitler, she again takes the lead in recognizing Germany's annexation of Austria. In the eyes of Mussolini, nothing in the world can be more important than acknowledging the fact. Japanese diplomats of realism have come into accord with Italy long ago regarding the Abyssinian problem. Poland's change from a friendly nation of France and Russia to that of Germany, and Belgium's abandonment of her alliance with France and her declaration of neutrality are enough evidence to show the dominance of the policy of realism in present day diplomacy. The greatest change in foreign policy is Chamberlain's determination in adopting

SPRINGTIME IN EUROPE

Elderman in the Washington Post

the policy of Anglo-Italian agreement even at the cost of recognizing Italy's conquest of Abyssinia.

This action of Chamberlain is really the summit reached by the policy of realism. The Abyssinian problem has been the direct conflict of interest between Great Britain and Italy, and at the same time it is one of the big cases which have been given judgement by the League of Nations. Since Great Britain can recognize Italy's conquest of Abyssinia, then it is not all surprising to see Great Britain recognizing the union of Germany and Austria, for they are both accomplished facts and are inretrievable.

In attempting to differentiate the policy of realism from that of idealism, one will find that the former seems to stress on fact while the latter does not. In fact, all foreign policies are based on facts. Never has there been any foreign policy that did not take facts into consideration. The real difference is, then, that the policy of idealism is based more or less on faith and reason, while the so-called policy of realism thinks only of self-interest. For the cause of self-interest, the country pursuing a realistic policy may abandon her duties under agreements; she may look lightly on law and justice even to the degree of denouncing the resolutions passed by an international body of which she constitutes a part. But the question of interest changes frequently in world relations, so the advocates of the policy of realism often times have to challenge yesterday's self with that of today. And the result is that the policy of realism is the same as the policy of speculation. In the respect of their structures and forms, the policy of idealism is connected with the peace organ and collective security system of the League of Nations, while the policy of realism goes back to the system of alliances and ententes of earlier days. Since the League of Nations has received her fatal blows in the Sino-Japanese and Italian-Abyssinian problems, the policy of idealism is almost entirely broken down. It is quite obvious that the majority of the foreign policies of the great powers are controlled by realism to-day. So the questions that demand our attention now are, firstly, whether or not the realistic policy of the powers will be applied fully to the problems in the Far East in the future, secondly, whether or not China's foreign policy needs reconsideration under the influence of realism.

British Recognition

As to the first question, a definite answer can be obtained. Though the resolution of the League of Nations and the declaration made by the government of the United States oppose the recognition of any situation created illegally, yet Germany and Italy have recognized "Manchukuo" as an accomplished fact. In order to secure the goodwill of Italy, Great Britain is willing to withdraw the resolutions passed by the League of Nations and to recognize Italy's conquest of Abyssinia. Therefore who can guarantee that she will not follow the example of Germany and Italy in recognizing "Manchukuo" in order to come into agreement with Japan? Japanese invasion into Manchuria has never been considered as a grave matter by the people of Great Britain, at least not by the Conservative party. So to take the recognition of this accomplished fact as a condition of securing Japanese friendship is not at all impossible in the case of Great Britain. Therefore the problem that needs China's most careful consideration in her foreign policy is how to deal with this possible change.

As to the second question, a number of people may be inclined to give a definite answer. They thought that China's foreign policy which depends too much on the League of Nations, Great Britain and the United States, and which thinks too highly of laws, agreements, justice, and humanity, and pays no attention to facts, is a very unwise one. Now since Great Britain has changed her policy fundamentally, and has come into agreement with Germany and Italy, it would be quite advisable for China to change her policy too and to follow the path of realism. The Anti-Communist Pact signed among Germany, Italy, and Japan has given Japan more power and influence in the Far East and is quite harmful to China. So to be on good terms with Germany and Italy would be oneway of lessening the power of Japan, but the price China has to pay would be to make a compromise regarding the interests of Germany and Italy, and to recognize the accomplished facts, or in other words, China has to recognize Germany's annexation of Austria and Italy's conquest of Abyssinia. All these are what the policy of realism asks of China. If we look at it casually, it seems to be very wise, but under careful scrutiny, the problem is not as simple as it appears to be. The policy of realism is primarily of speculative nature. Only powerful nations which have force in the backgrounds can employ the policy of speculation in their foreign policies. A weak nation like China can not bear the risk of a speculative policy. If China today follows the compromising attitude of Great Britain toward Italy, and formally recognizes the conquest of Abyssinia, first of all, China will lose her international sympathy and will destroy her own stand, and it is very unlikely that China will receive any aid from Italy. And there is still another point to be reckoned with, that is, if China can recognize the Italian conquest of Abyssinia, than why can't other nations recognize "Manchukuo"?

Inevitable Event

As to Germany's union with Austria, it is different in nature. The union of the two countries is a question of unity of the German race, so its outcome is a natural procedure. Although the ruthless actions of Hitler and his Nazi party may have caused horror and hate in the minds of other people, the union is nevertheless an inevitable event which would happen soon or later. Since Great Britain and France have shown their recognition by formally withdrawing their consulates in Vienna despite their obligations under agreements, the seems to be no necessity that China should refuse to recognize the union. We may just as well do it, but it need not be done noisily so that others will think that China is a country without principle and follows only what are influential and powerful.

Anyway, the present foreign policy of China has its stand, the upholding of her sovereign rights, which is to be maintained at all costs. China should never recognize any territorial or political situation created by illegal and forceful means, and that any accomplished fact can be taken as a basis of law. We should not only look on any question concerning us in this way, but also those

*Translation by King Zoh Bing, St. John's University, Shanghai

(Continued on page 322)

The Duce and The Fuehrer Talk Things Over

THE meeting last week of the dictators of Italy and Germany—Benito Mussolini and Adolph Hitler—was the signal for the mutual expression of undying friendship along with some cold hard facts of what each expected of the other in the furthering of Fascism in Europe. As a grand finale to a week of political dickering, Hitler at a dinner given in his honor May 8 at the Venice Palace said that Italy and Germany, united by ties of friendship and common interests, are now risen in Europe and firmly resolved to safeguard their "eternal vital rights and to resist any forces which would attempt to oppose their natural development."

In a toast of tribute to Hitler and Germany, Mussolini said the two nations "left behind them the utopias to which Europe had blindly entrusted her destiny."

Earlier in the week, Hitler had requested of Mussolini Italian support in obtaining a modification of Czechoslovakia's foreign policy. In other words, a modification of policy by Prague would involve a loosening if not denunciation of the Czech accords with France and Soviet Russia. In connection with the Czech problem, it is asserted the German statesmen visiting the Duce declared the readiness of the Reich to tolerate for the time being a state of affairs whereby 3,500,000 Sudetens should live outside the borders of the Reich. The visitors have admitted that the most urgent problem at present is that of obtaining a modification of Prague's foreign policy.

EUROPEAN GOOSE STEP!

Glasgow Record.

Nazi Colonial Problems

German circles are emphasizeing Czech and colonial problems are the most important and agreements must be reached upon them before any negotiations may be opened with great European Powers.

The same quarters explain that the incorporation of the Sudetens into the Reich is a question of principle which does not require an immediate solution, however. They recall that Germany has accepted a situation whereby their minorities in the Upper Adige region should remain outside their country's boundaries. The vital character of the problem arising from Prague's foreign policy is, on the other hand, stressed by the Nazis. The Reich is most anxious that the Czechs should loosen their bonds with France and Soviet Russia and even denounce the treaties contracted with these two nations.

This problem forms one of the main points in the general struggle of the "Powers of order" against the Bolsheviks, the Germans are arguing. They voice utmost confidence in Italy's support, it is noted, as that would be in accordance with the principles of the Rome-Berlin axis.

In the meanwhile, it is learned that the Spanish problem was discussed. And Rome has requested the Reich's approval of the settlement of Anglo-Italian and Franco-Italian relations, authorized quarters conclude.

Heap Praises on Each other

Both Hitler and Mussolini eulogized each other with lavish praises in the May 8 speeches. Mussolini said:

"Fuehrer, it is with most cordial joy that I welcome you personally and on the part of the Government and the Italian people in Rome that greets you today in the double glory of tradition and power. Your visit to Rome completes and seals the entente between our two countries which we have firmly desired and built with tenacity. Our two peoples march together with loyalty of intentions and confidence tried by the events of these last years of peace and agreement between two nations. The promises and objectives of this collaboration consecrated the axis of Rome and Berlin, as we have constantly and openly stated them. Germany and Italy left behind them the utopias to which Europe had blindly entrusted her destiny to search with other regimes for a common international life which can create daily for everybody the most effective guarantees of justice, security and peace. One can only reach that when the elementary rights of each people to live, work corresponds to the reality of the historical forces which compose and determine it.

"We are convinced that it is in this direction that the nations of Europe will find tranquility and peace which are indispensable in order to preserve the bases of European civilization. Fuerher, I have still vivid in my soul the admirable spectacle of work, peace and force in your country renewed by yourself in these fundamental virtues of discipline, courage and tenacity which make the greatness of a people. I have not forgotten, nor will I ever forget, the greeting reserved for me by yourself, by the authorities and the people. My most fervent wishes and those of Fascist Italy are for your health and the prosperity of the German nation and unchangeable friendship between our two peoples."

Hitler's Loving Reply

In reply Chancellor Hitler said:

"I thank you. I am deeply moved by the cordial welcome words you addressed to me in the name of the Italian Government and people. I am happy to be here in Rome, a city uniting the incomparably glorious past with the powerful signs of young Fascist Italy. From the moment I placed my foot on Italian ground I found everywhere an atmosphere of friendship and sympathy which makes me deeply happy. With the same intimate feeling the German people welcomed last autumn in your person the creator of Fascist Italy, the founder of a new empire and at the same time a great friend of Germany. The National Socialist movement and the Fascist revolution created two powerful states which today in a restless and disordered world constitute an example of order and healthy progress. Germany and Italy have the same interests and are closely bound to one another by community ideologies.

ROME-BERLIN AXIS

[St. Louis Post-Dispatch.]

Fitzpatrick in St. Louis Post-Dispatch.

A bloc of 120,000,000 men has now risen in Europe firmly resolved to safeguard their eternal vital rights and to resist any forces which would attempt to oppose their natural development.

"From this struggle against a world full of incomprehension and opposition which Germany and Italy were obliged to face shoulder to shoulder a cordial friendship formed little by little between the two peoples. Such friendship gave proof of its strength during the events of the last years, which show the world that it is necessary to take into account in any case the legitimate

(*Continued on page 320*)

China Has 386 Hospitals for Wounded; Mobile Units Great Aid to Soldiers

The Chinese Government has established 386 base hospitals, with accommodations for 200,000 beds, for wounded soldiers and has organized 100 epidemic prevention units, according to Dr. Yen Fu-ching, director of the Chinese National Health Administration and former Director of the Shanghai Red Cross Hospital, says *Reuters*. Describing the work of attending to China's injured, Dr. Yen says that the wounded soldiers are carried from the front line trenches to first aid station by stretcher bearers of the Army Medical Corps, who are attached to every division. After rendering first aid treatment, the wounded are sent to field hospitals, where the serious cases are attended to. As soon as the men are in a condition to travel they are sent to base hospitals.

The wounded from the war fronts in the Yangtze River area are sent to base hospitals in Kiangsi province, Dr. Yen explained. Those from the Tientsin-Pukow and Peiping-Hankow Railway fronts go to Hupeh and Hunan provinces, while those from the fronts in Shansi and Suiyuan are despatched to Shensi. Dr. Yen says that 10 per cent of the wounded soldiers die before they reach the base hospitals where the death rate is only 4.7 per cent. Sixty per cent of the injured men sent to the base hospitals have already been cured and discharged, and 90 per cent of those discharged have rejoined their original regiments at the front, he continued. Although 90 per cent of the work is done by the Chinese Government Army Medical Corps, Dr. Yen emphasizes the valuable assistance given by foreign mission hospitals, the Red Cross, the Red Swastika Society and others.

50 Red Cross Teams

The Red Cross, he says, has 50 teams. These comprise operating, ambulance and dressing units with volunteer doctors and nurses, and the Red Cross has decided to double this number shortly. There are 40 mission hospitals with 3559 beds scattered throughout eight provinces, and also 46 foreign doctors who attend chiefly to the seriously wounded. As the military hospitals must move from place to place and as the military situation makes the moving of the seriously wounded dangerous, foreign mission hospitals give valuable assistance. As the war continues, Dr. Yen declares, more personnel and medical supplies are needed. The Chinese Government has, therefore, established a training school at Changsha to teach doctors and nurses for the first aid corps.

The transportation of the wounded from the first aid stations to the field hospitals and thence to the base hospitals is handled by the "rear service department," which is also in charge of the transportation of troops and supplies and is thus in the best position to arrange for transportation facilities. The Christian Federation has just organized units to help the wounded during transit by arranging dressing and supplying bedding and other comforts for those waiting for trains or steamers.

Situation Improving

Although the present arrangement is far from ideal, Dr. Yen points out that the situation is improving daily and the Chinese Government and public, institutions are doing their utmost to meet a problem which is of a gigantic scale. With the large movements of troops and the congestion of war refugees in a few cities, epidemics are bound to break out this summer, Dr. Yen declares A serious outbreak of cholera has already occurred in Changteh, in Hunan, province typhus fever is reported in Szechuen and Shensi and meningitis has broken out in Kiangsi province. The Chinese National Health Administration has organized 100 "epidemic units." In each unit there are one doctor, two nurses and four assistants to carry out mass inoculation, educate the people in hygiene, by lectures and lantern slides, and to improve sanitary conditions. The League of Nations has sent three units to China to help in this connection, Dr. Yen concluded, which one is at Kweilin, in Kwangsi, another at Changsha, in Hunan, and the third is at Sian, in Shensi.

Mobile Hospitals and Wounded

At the start of the Sino-Japanese hostilities Dr. Asher Raymond Kepler, formerly of the American Presbyterian Mission in Peiping, made a tour of Shantung, Honan, and Shensi to study the refugee problem on behalf of missionary and benevolent bodies. By the time his tour was completed, and he returned to Nanking during the retreat, he was convinced that if anybody was in need of immediate aid, it was more the wounded soldiers than the refugees. Since then Dr. Kepler has accomplished a tremendous task. The Central Government had budgeted for 50,000 wounded, but a week before the decisive clash at Taierchwang, found it had 300,000 wounded to care for. Yet, the lot of these 300,000 is happier than that of the several tens of thousands during the early stage of the hostilities, the *China Press* reports.

Dr. Kepler arrived in Hankow to organize mobile units to serve wounded soldiers in transit on January 4. By the beginning of February units were already operating. Today there are 30 units, covering the entire field. General director of the "National Christian Service Council for Wounded Soldires in Transit." Dr. Kepler is at present in Shanghai, having returned here a week ago for a well-earned rest. He estimates that under fighting conditions on all fronts, prior to the heavy clashes in Southern Shantung, there was a daily total of 1,000 wounded to be transported to the base hospitals. The wounded spent an average of 10 days en route in traveling to the base hospitals—in some cases as much as 20 days.

These mobile units, formed for this specific purpose, are extended over the different lines of transportation, providing the wounded with food, tea and hot water—whether the wounded travel by rail, water or motor road. Emergency dressing of wounds and transfer from train, truck or boat to the base hospitals are also part of the program of the mobile units at the journey's end.

7 Sectors Served

The 30 mobile units are operating in seven sectors, and it is estimated that the total cost of their operation will require a monthly budget of at least $30,000. The seven sectors are: Sian to Tungkwan; Loyang to Hsuchow; Chengchow to Hankow; Wuchang to Changsha; Changsha to Nanchang, and Nanchang to Tungchi. These units, naturally, move their location as the conditions and locations of the various fighting fronts change. Each sector operates from six to seven mobile units, with a regional director in command of each sector. Each mobile unit consists of five full-time workers with a leader. In addition, the units all organize voluntary workers in whatever region they may be stationed at the time, while two field directors are constantly on the load in specting as many units as possible. The workers are almost exclusively students and college and middle school teachers. They receive $5 per month and board while unit leaders get $15 and regional commanders $40. This pittance means sacrificial service, with no other reward than the satisfaction of service for those who have been wounded in the defense of their country.

Any break in the Chinese communist party which is liable to destroy unity is held unlikely by Dr. Kepler. During his stay in Hankow, he spoke for almost two hours with Mr. Chou En-lai, one of the most brilliant men in China and a member of the former Reds. He was more impressed by Mr. Chou than by any other man he had met, he said, and was struck by his unquestioned sincerity in desiring a unified China. Mr. Chou, it will be recalled, urged General Chiang Kai-shek's release when the Generalissimo was held captive in Sian. Mr. Chou told Dr. Kepler that the Chinese Communist Party does not desire a dictatorship of the proletariat, but wants a two-party government comprising the Kuomintang and the Communists. They had given up the idea of confiscation of private property and incomes. Asked whether this decision was due to expediency or experience, Mr. Chou attributed it to both, pointing out that certain principles of communism were not applicable in China.

Most men who meet the communist leaders, Dr. Kepler said, are impressed by their sincerity. Dr. Kepler pointed out that the National Christian Service Council for Wounded Soldiers in Transit was in no way a government institution—it did not even obtain funds or a subsidy from the government directly. It was merely an independent Christian organization to which every facility is extended by the Chinese Government in appreciation of its services. It would, if the occasion arose, he said, do as much for Japanese soldiers.

Chinese Not Driven Out

Dr. Kepler discounted reports that the Japanese had driven Chinese armies out of Honan, Shansi and Hopei as ridiculous. The Japanese confine themselves to the main highways and strategic cities, and do not dare wander even a mile from the city walls for fear of encountering Chinese guerillas, whose activities are becoming more intense each day. Communications are harassed and disrupted time and again, and since the guerillas have become organized he does not think it an exaggeration to say that the Nipponese troops lose nearly 1,000 killed and wounded daily what with guerilla units constantly attacking isolated posts.

Japanese Christians Announce Week's Conference in Peiping

The Toa Dendokai, or Far Eastern Mission Board, a Japanese organization, has announced a Christian conference to be held in Peiping from May 14 to 21. Some 200 Christians are expected to attend. The Japanese delegation will include, Tsunejiro Matsuyama, a Diet member; Tadaoki Yamamoto, dean of the engineering department of Waseda University; the Rev. Michio Kozaki; Yoshimune Abe, president of Aoyama Gakuin, the Rev. Saburo Imai, chief of the Methodist Mission Board; Etsuzo Yoshida, president of the Omi Brotherhood Alliance and a social welfare worker; Soichi Saito, director of the Japan national committee of the Y.M.C.A.; the Rev. Eiko Yamashita of Mukden; and the Rev. Jiro Fukai of Chengte, Jehol.

Is America Preparing for War?

BY PETER SOUTH

IS America preparing for war, or are the hurried naval and military measures purely and simply normal defense precautions?

Despite strong opposition by a certain section of the American press which is attempting to force a policy of isolation upon the government, Congress has been giving strict attention to a program designed to make the United States Navy "second to none." What the ultimate purposes of this formidable fleet will be when completed, is yet difficult to say. Nevertheless, the U.S.$800,000,000 Naval Expansion Bill, passed in the Senate last week by a 2 to 1 vote in the face of considerable press opposition, showed that the administration's apprehension in war matters was definitely on the increase.

To soften the impact to taxpayers, and Isolationists, the bill which provides for a 20 per cent increase in the naval building program, carried with it an amendment stating that "The fundemental naval policy of the United States is to maintain a fleet adequate to defend both the Atlantic and Pacific coasts simultaneously and all America's insular possessions. It should be of sufficient strength to guarantee national security, but not for agression."

Along with the huge naval building plan, another program for additional ships is underway. President Land of the Maritime Commission has declared that the government, in order to satisfy the needs of national defense, must build within the next 10 years, 500 transports and hospital ships, costing U.S.1,250,000,000. He said that U.S.100,000 should be allocated at once for the construction of 24 vessels, of which 17 would be cargo steamers, four mixed and three passenger liners.

Claims Fears Unfounded

The liberal element of the press sees in these actions and plans a definite move towards a war offense, while the *New Republic*, a progressive magazine of wide circulation, belittles fears concerning the danger of military attack on the United

"WHAT'S AMERICA ARMING FOR?"

Glasgow Bulletin

Italy and Japan become ignignant at America's vastly increasee armament program.

States from abroad and claims the point has been greatly exaggerated by persons seeking an unreasonable increase in American armed forces. Among these persons, they say, are armament makers and others who stand to profit by such action. They claim that the majority of the American people want an adequate military establishment, but believe that it should be of a strictly defensive character, intended only to guard America's shores and nearby possessions against armed attack. If the improbably danger should become real, the magazine holds, Americans would want merely to make our present adequate defenses completely impregnable.

The *New Republic* of March 30, devotes an entire supplement to combatting the administrations plans for naval expansion. Under an article titled "Internal Strength," the magazine declares:

"The cost of the new naval program is to be U.S.$1,120,000,000. This is a dizzying sum, and if, as Admiral Leahy has solemnly testified, Mr. Roosevelt wants to build a two-ocean navy, the cost will be a great deal more. The new warships constructed with this money will give advancement to navy officers, and will provide fine subjects for newsreel photographers, but just who else among us will benefit? If we should build a great navy, great enough to overawe Japan—provided England helps—the administration has tacitly promised that peace and stability would result in the Orient.

"That would benefit business corporations with Far Eastern interests. In point of fact, a big American navy would be as likely to precipitate war as to bring peace, but let us assume that the administration's promise has substance. Do the voters wish to divert U.S. $1,120,000 from the nation's income to achieve better business in China? There is no sign that they do. As they demonstrated in the elections of 1932-34-36, the dangers about which they are unnecessary sickness, bad housing, waste of soil fertility, illiteracy. The sum of U.S. $1,120,000,000 would go a long way towards conquering these enemies within our own frontiers. The danger of an attack on our shores by an evil agressor nation is relatively remote."

Frontier Moves Westward

But such outbursts apparently have had little effect upon the government's plans. Instead of plans purely encompassing defense for the shore lines of America, the program has gone forward for pushing America's frontier further westward. The American defense area which a year ago was a triangle extending from Dutch Harbor to Hawaii and thence to Panama, has now become a greatly-enlarged triangle whose lines extend from Hawaii to Samoa, thence to Panama. The new Hawaii-Samoa line is obviously meant to flank the Japanese-mandated Marshall islands in order to secure Panama. There is no doubt that America's eagerness to control Canton and Enderbury islands is motivated by a desire of strengthening the new defense line. These moves had produced considerable alarm in Japan and have brought a Japanese warning that Japan is guardian of the Western Pacific and that American moves in the Pacific are of grave concern to Nippon.

America's sudden revival of interest in the Far East and her rapidly expanding frontier are obviously things which do not pertain to defense measures immediately affecteding the North American continent. Perhaps, then, rightly so, America is girding for war.

Under the title, "For Impregnable Defense," in the *New Republic* supplement, Major George Fielding Eliot, an authority on military subjects, discusses the means for an air-tight defense, carefully pointing out, however, that America should have no aggressive designs. He says, regarding the Pacific area:

"The key position for our West Coast defense is Hawaii. Here we maintain a large garrison, navy and army air forces, strong seacoast defenses and the major part of our submarines. The naval base here is capable of repairing battleships. Two thousand miles to the northward, the Aleutian chain runs out in a long finger pointing toward Eastern Asia. Here a naval and air base should be placed; it requires defenses against raiding cruisers, and facilities for repairing and supplying plans and small vessels. This position commands the "great circle" route from Asia to America. Our little outpost at Samoa is too far distant to be part of our defense chain; the 4,500-mile interval between Panama and Hawaii might better be covered by an outpost in the Marquesas Islands, now French, if this could be arranged. The Galapagos Islands, belonging to Ecuador, would also afford excellent facilities for covering the Pacific approaches to Panama.

Philippines Vulnerable

"Behind this outer line, our Pacific coast has naval bases at Puget Sound, Mare Island and San Diego; of these only Puget Sound is a first class naval arsenal with facilities for repairing the largest ships. The eventual construction of a major naval base on San Francisco Bay sheuld be considered. Portland and Los Angeles are defended ports. The Philippine Islands from a salient in our defense line—an enormous salient, stretching 5,000 miles across the ocean from our main advanced position at Hawaii. These islands, in the opinion of most military authorities, could not be defended against Japan; the difficulties of making war over such distances, commanded as they are by the Japanese mandated islands, would be all but insuperable. When Philippine independence becomes a fact, should military judgment dictates the withdrawal of our garrison and naval shore establishment Ships necessary for the protection of American lives and property in the Far East can be main ained there without a base as for many decades before the battle of Manila Bay.

"On the the whole, then, it may be said that our maritime frontiers are readily defensible, indeed all but unassailable: provided—and it is an all-important proviso—that to the positions are added a sufficient fleet to command the adjacent seas, extending to the southward to include the Panama Canal."

Major Eliot observes that it seems certain that a 20-per cent superiority over the Japanese in battle strength should afford a very comfortable margin for the defense of Pacific waters. Just now, he writes, the twelve battleships of America's main fleet are sufficient; the completion of three more ships by Japan would require the U.S. to add four. This, he notes, is based on the theory that the aggressor will strike with concentrated force at his selected moment, which may be when certain of America's ships are in dockyard hands, or otherwise not immediately available.

If America is not preparing for an aggressive war—then the administration must feel that an immediate adequate defense is of grave necessity.

China's Children Take a Hand in War

BY HIN WONG

CHILDREN, being the best asset of any nation, are attracting the serious attention of Chinese leaders of all walks these days, partly because of the presence in many sections of the country of war waifs and particularly, of the promising spirit of the youths themselves for the welfare of their fatherland. While everything is being done to protect the interests of the coming generation, especially those in immediate need or deserving better care, no opportunity will be missed in China to inculcate in the children the sense of public duty and public service.

Some weeks ago, a kindergarten in Chungking, the wartime capital of China, began to suspend the distribution of candy to its pupils at recess, a rule under ordinary circumstances, at the request of a girl and two boys who then volunteered to go without it so that the two cents generally alloted to each daily may go into national self-defense. No one among other children among the companions of the three would object when asked if they might also be asked to forego the luxury, so that an airplane may be bought to strengthen the air force of the Republic with the proceeds of their savings and others to be collected from their friends and acquaintances. Since then, the children of Chungking have been on the war-path in the drive for a fund.

On April 4, national Children's Day of the Republic, Mr. Lin Sen, Chairman of the National Government, officially received a children's delegation of eleven from the wartime capital who formally presented to the head of the nation its resolution to call upon the future citizens of China throughout the land to add ten more machines to the national air force, to be christened as Three Eastern Provinces and North China for the replanting of the pure Chinese standard of red, white, and blue there.

Lin Sen Impressed

Mr. Lin Sen was so impressed by the loyalty of the children that he at once consented to be the chief patron of the children's movement, offering $100 to start the drive for a more and larger fund, and another $100 to the children for candy and refreshments. The delegation sincerely thanked the chairman for his support but, agreeing, however, only to keep the $100 intended for the purchase of warplanes, and remit the other $100 to the front for the comfort of the men already fighting for the country. A committee of primary school principals accepted the invitation of the children to act as their advisers in the forthcoming drive for the "Children's Squadron" fund which, as stated, will be nation-wide.

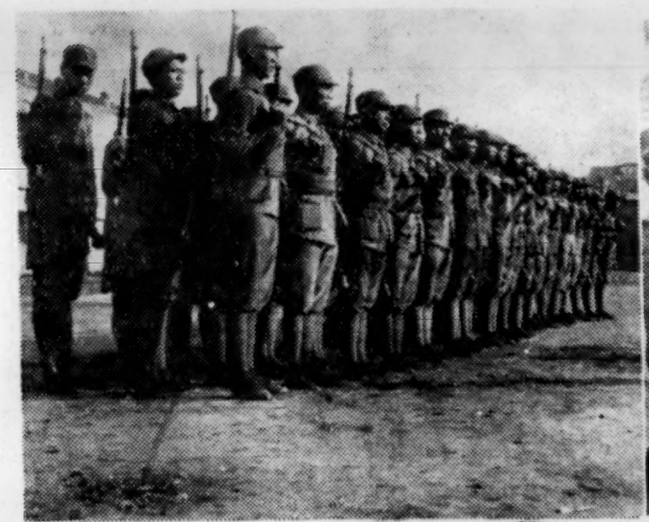
Mr. Lin Sen, on April 20, again received a delegation of women in Chungking, in the interest of children. Mrs. Tsou Lu, wife of the chancellor of Chungshan (Sun Yat-sen) and Mrs. Lo Chia-lun, wife of the chancellor of National Central University, on behalf of the executive committee of the Chungking Chapter of the National Wartime Children's Welfare league, related to the National Chairman the purpose of the organization and were assured that the movement for the relief of war waifs and other homeless children has been engaging serious attention of the party and government leaders, including himself, who would do everything under their power to provide for the interest of the coming men and women of China.

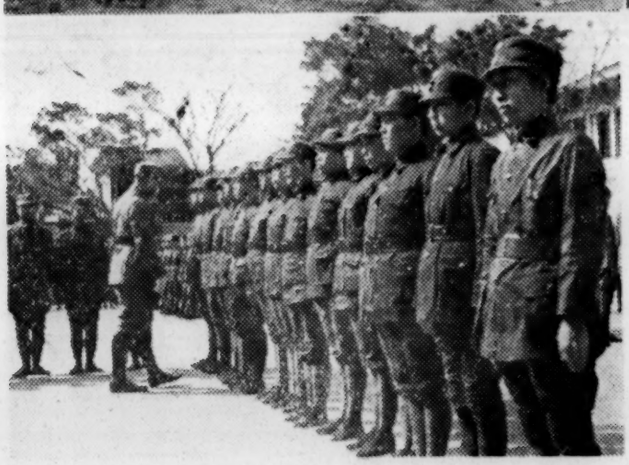
The Chungking Wartime Children's Welfare League is assuming the responsibility for caring for 500 children from the war-torn areas on assignment of the league headquarters at Hankow. A gentleman in Chengtu has already donated $10,000 for the partial cost of a building for an orphanage to be built at Koyoshan, Shapingpa, on the suburbs of Chungking, the land for which having been donated.

Child Labor Corps

Children in small groups from the lower Yangtze ports have been arriving in Chungking, and the local organization is housing them in temporary quarters. In Chungking, local relief, under the auspices of the New Life Movement, has existed for some time under the name of the Child Labor Corps, now 1,010 strong, composed of children who had to work for their own support, if not also for others in their families. The New Life

CHILDREN AND YOUTHS TRAIN FOR DEFENSE AGAINST JAPAN





Upper Left—**College Students in Kwangtung being trained for service in the new armies now being organized.**

Upper Right—**Girls, not to be outdone by their brothers, also enlist for training in the women's volunteer corps also being organized in Central and South China.**

Lower Left—**Even the youngsters, boys and girls from 10 years upward, receive military training.**

YOUNG CHINA ALSO PREPARES FOR A "LONG WAR"

The pictures at the top are typical boy scouts and girl guides of south China. *Lower left*—**Officers of the Canton Women's Volunteer Corps, Miss Wong Wei-chun (left) Assistant Commander, and Miss Yuan Pin-kwang, Commander.** *Lower Right*, **Miss Yuan Pin-kwang, Commander of the Canton Women's Volunteer Corps, at her desk in the Headquarters office.**

Movement took them in and gave them some rudiment of education before permitting them to devote their whole time to labor. If child labor is permitted at all to exist, it should be so regulated that no one may be allowed to grow up simply as a beast of burden. In this connection, it may be of interest to add that these members of the Child Labor Corps have, in line with the 26,000 primary schools and 600 kindergarten children of Chungking, started a national movement in the drive for funds to create a "Children's Squadron" in the Air Fleet of China.

The Ministry of Education of the National Government has made it known that all children whose parents are or have been with the fighting service of the Republic will be given preferential treatments in all schools of the country.

S.M.R. Reports Huge 1937 Profit

The total receipts of the South Manchuria Railway Company, including passenger revenue, income from the Fushan Mines and wharfage receipts, for the last fiscal year amounted to $300,000,000, according to the Tientsin *Kung Pao*. The S.M.R. made a net profit of $50,000,000 for the period.

South Lappa Landing Repulsed

The Japanese made unsuccessful attempt this week to land in south Lappa, a treaty port of China at the entrance of the Canton River, opposite Macao. Meanwhile, it is believed that the Japanese, who are established on Ballast Island, which is unoccupied, are constructing emplacements.

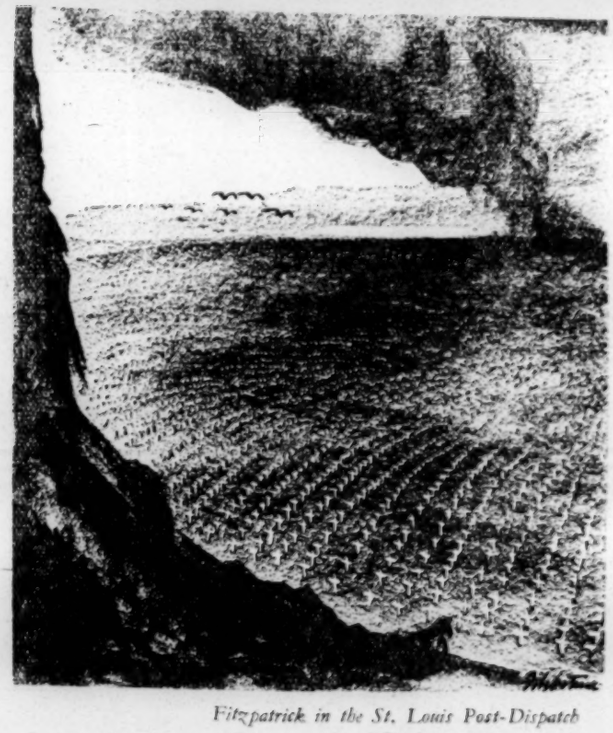
An Industrial Rear Line Defense for China

BY NYM WALES

A few days ago I took a motor car with a friend and drove out to see the war areas around Shanghai. Everywhere there was complete desolation. But it was not the ruins of war which appalled us. It was the systematic looting and the burning of every small workshop and large industrial plant alike owned by Chinese in the whole area. The Chinese industrial base at Shanghai has been intentionally razed to the ground by the Japanese. Portable machinery has all been transported to Japan and the rest of the industrial equipment blown up and burned. Whole city lots full of twisted ruined machinery are all that remain—collected for shipment to Japan to make mountains of "scrap iron" there.

In Hongkew alone, which is an International Settlement District, over 900* Chinese-owned plants have been completely destroyed. As we drove past the blackened walls of one big modern factory, my friend said, "The man who owned this factory went insane when he saw this. His whole life's work was ruined when the Japanese burned that place."

NO WINNERS IN WAR



Fitzpatrick in the St. Louis Post-Dispatch

How many years of painful struggle it took for the Chinese industrialists to squeeze together enough capital to build these factories—not to mention the inhuman labor of the workmen which was at least as valuable as the machinery! Now these qualified workmen wander idle through the streets of Shanghai, just as much a waste as the ruined machinery. Six months ago there were 600,000 workmen busy in the factories of Shanghai.* Now they are half-starving in the alleyways and refugee camps. In Tsingtao there are another 100,000 idle—and in every coastal city hundreds of thousands of all classes have rushed into the interior for safety, where they have no productive work to do. There are no Chinese factories for these idle poeple—but the Japanese will want to utilize them at slave-rates, in a short time.

The sight of the destruction of Chinese industry in Shanghai leaves one stunned with the realization of the urgent necessity of building up new small industries in the interior to take their place, and in self-defense against economic conquest by Japan. For otherwise, China will not only be turned into an agricultural colony. but into a ruined desert.

Japan's policy is clear. It is to destroy all Chinese industry in Central China and turn the area into a market for her own manufactured goods. And in the north it is simply to remove all the natural resources of the place as raw materials for Japanese industry.

Japan has nothing to offer

But Japan has nothing to give to China—she has not even any capital to export. She cannot even *create her market*. She can only drain away for her own use at home more and more of the already exhausted resources of China, and leave the national as barren as the Dead Sea.

Long ago Genghis Khan had much the same idea that Japan has today. He wanted to kill all the people in North China and turn it into a pasture land for the ponies of the Mongols. This was a relatively pleasant thought, but Japan's idea is to let the people survive in a macabre state and live off the half-dead body and blood of China like a vampire.

There are two gigantic questions which confront one when considering this problem of economic self-defense. First of all the people and the government must be galvanized into action and shocked into the realization of the imminent danger in the present economic situation, and second, ways and means must be found immediately to begin remedying it. In connection with the first question, it must be realized that wars today are fought not only in the air, or on sea, or on land. Wars are fought in the rear by the people who keep the economic organization of the nation functioning, and soldiers march in exact time with the transportation of supplies, from this rear. If China has no economic defense, she has no defense at all. All the mountains of the bodies of her dead soldiers are mere barricades to be climbed over by the enemy, in due time. And even if every Japanese soldier were withdrawn from China, if Chinese industry does not keep going she will be at the mercy of the enemy.

To meet the two offensives Japan is carrying on in China—military and economic—China has so far resisted only the military threat. Before the economic drive, she is helpless. There has been no preparation to resist Japan's economic conquest. And now that China has been disarmed of what little industry she had, what must she use for weapons? What does anyone do who has been disarmed of his modern gun? He grabs anything and everything at hand. Any primitive form of production is better than nothing. The old village and shop industries in the interior must be restored immediately, and new economic organizations created. All the great sacrifice of men and expensive war materials will be wasted if China cannot build a second economic line of defense—and hold it! And there is not a moment to spare. As soon as the automatic blockade on the coast because of the war is opened, Japanese goods will rush in and conquer China like a huge tidal wave. And then it will be too late. China must dig in and build her economic trenches in the rear immediately.

Why this sudden alarm? For some reason the Chinese have always imagined they will survive by virtue of a kind of inertia and sheer bulk. But where are the dinosaurs? They went the way of other anachronistic forms of animal life. It must be realized that because of Japan's new stranglehold on the coastal cities China is completely vulnerable now economically, whereas she was not before. Shanghai is no defense! Shanghai is another anachronism which will soon go the way of the Nine-Power-Treaty. There remains only Canton and the south as ports for the intake of machines and tools necessary to maintain bases of national economic independence.

For many years China has slowly, year by year, lost her economic self-sufficiency and become dependent upon industrial production. Village industry has simply withered away. Today there is not a provincial center anywhere which is self-sufficient. It was to break down the last crumbling walls of economic sufficiency that Japan launched upon her present vast expedition in China. And economic China today is not the China before the Liukuochao Incident. History moves fast in times of destruction by war. A particular point to be noted is the vast number of refugees and wounded soldiers caused by the present disruption and war in China. To refer to the great migration to the interior as a "refugee problem" is laughable. Unless these people can be immediately—not next year—absorbed into some kind of productive labor, China will be turned into a condition of anarchy and chaos beside which the T'aiping Rebellion with its 20 millions massacred will be a footnote in the history of China.

Need Labor Mobilization

But all these refugees represent labor power! And the labor power of China must be mobilized before it is too late! Before it is turned into a dog-eat-dog civil war. There is only one way to mobilize non-hire labor for productive uses—and that is by the organization of Workers' and Farmers' Co-operatives. And there

*Note: *According to accurate figures collected recently by the Shanghai Municipal Council, the International Settlement of Shanghai had 3,800 factories registered with the Council before the hostilities*, excluding *those on extra-settlement roads. At present there are only 1,800 factories operating*, including *extra-settlement roads, of which 750 are new factories built since hostilities. No figures are available for Chinese territories, byt the Chapei, Woosung and Pootung areas had more factories than the Settlement. Estimating these factories as a little over 4,000 the entire number of factories in the city of Shanghai was about 8,000—of which only 1,800 now remain! These factories employed 600,000 workmen, before the war, while at present there are only 130,000 factory workers employed in all of Shanghai. It is estimated that at least 350,000 Shanghai people have taken refugee in their home villages in the nearby provinces and been repatriated there.*

seems to be only one way to mobilize capital and create revenue upon which any kind of productive work can be started—also by some kind of co-operative endeavor.

There is a great deal of liquid private capital in China, but its owners do not seem to be taking the initiative in investing it in the interior. Of course, no capital is to be had for charity. But it is always somehow available for profit. These co-operatives would certainly make a profit now in China. Once begun, a certain amount of banking and private capital would support them. There have been many co-operatives in China—marketing, rural credit, irrigation and a few productive co-operatives. In these fields, they were surprisingly successful. But until the industrial structure of China was disrupted by the war with Japan these productive co-operatives could not compete with factory industry, so naturally did not develop. Today all this is changed. The market is there for them in the interior—and if they do not supply it, Japan will.

These co-operatives are an emergency measure, and should be organized and supported by the Government as part of a wartime economy. The Government has no extra capital, but it can provide moral if not financial support, at least, in getting them started, after which there is no doubt they will be self-supporting. Funds from the Red Cross, the Famine Relief, the international refugee organizations and other sources could not be put to better use than in organizing and financing productive co-operatives to put the refugees to work. It is simply pouring money down a drain to give food month after month to able-bodied men and women who would be delighted to be earning the right to eat.

The organization of co-operatives is a simple matter—India, Denmark and other countries are full of them, and there are many books written on this subject in China. Every middle school in China should have a course in the organization of co-operatives and the students should spend a few weeks going into the villages to train the people in this kind of organization. The immediate and urgent need is to organize Workmen's Productive Co-operatives, and utilize these tens of thousands of qualified workers now idle. These workmen need machinery to do their best, but the genius of the Chinese workmen for handicraft and small industry must be utilized to the utmost at the moment. They can make their own handlooms and other light tools, just as has been done in China for centuries. Organizing a campaign for these co-operatives in the rear is active patriotic work, just as urgent as the fighting at the front. And there are available hundreds of thousands of young students, workmen and others who would give their time and energy to it as a part of the program for national defense. All they need is enough rice to eat, for it is better to work and eat even without money, than it is to starve and die idle. This is not forced labor—it is free patriotic co-operative struggle.

Time for Reconstruction

China must awaken to the need for this movement toward economic reconstruction. Modern industry in China developed abnormally—along the coast and in the treaty-ports. The interior economy simply disintegrated year by year, because village industry died away and no new factory production took its place. The big industrial centers under foreign protection were like a stranglehold on the interior, smothering any attempt at small industrial development there. But all this has been changed by the war. The present is a healthy condition for changed and uniform economic reconstruction throughout China. If China takes advantage of the opportunity, the internal market can be supplied by small-industries instead of becoming dependent upon Japan. The market is there—and the first to supply it should be the Chinese. Therefore the productive co-operatives can become self-supporting by providing a ring around the interior and keeping the native market supplied.

How did Chinese industry begin to develop? Only because during the World War the war conditions made it impossible for foreign countries to ship goods to China, so native industry had a chance to develop to supply its own market. Industry then increased by leaps and bounds. And the condition today is similar. Do not think small-industry cannot take the place of big factories. Japan is the best example of a country whose real economic strength rests in shop and village industry. These cooperatives are of permanent value whatever may happen to China but their immediate necessity is based on the assumption that the Government really does intend to resist to the end, regardless of the tragic and enormous consequences; and that it is convinced that any compromise peace with Japan at this stage is a complete guarantee of the certainty of eventual subjugation of all China. If such a policy is really irrevocably decided, then auxiliary economic bases must be established throughout the interior. By "interior" here I mean all Chinese-held territory, even behind the Japanese penetration, especially in good strategic areas in the mountains. If the Government is prepared finally to place its main reliance on irregular or guerilla warfare, the "irregular economic bases" must also be established.

Without some such system China cannot carry out "long term resistance," but will fall after the collapse of the currency and economic structure, especially the collapse of the currency.

Time is Ripe

It is readily evident to most people that industrial cooperatives supply a constructive end and direction to local patriotic activity which it does not, at present, possess. It seems likely that most patriotic organizations in search of a "road" to follow, will quickly seize the opportunity offered by the industrial co-operative movement. The economic factor is fast becoming the key to the whole morale of the populace. It is all very well to talk of boycotting Japanese goods and Japanese factories, to oppress traitors, to train anti-Japanese groups, etc. But eventually the objective economic situation will force most people to buy Japanese products, force the workers into Japanese factories and their daughters into Japanese brothels, and force the populace to cooperate with traitors—unless there is some positive alternative offering them another road to life. Note how many thousands of workers have already returned to work for Japanese factories in Shanghai and elswehere, how many stores are now selling Japanese goods, how many hundreds of women are serving the Japanese as slaves and prostitutes, and how many people are already working for the Ta Tao and northern puppets! This is a sample of what will continue and increase, unless some way out is given to them—*promptly*!

Since the idea of these industrial cooperatives was germinated, enthusiastic support has come from many different quarters. Workers and bankers, students and teachers, engineers and doctors, government officials and refugee workers, foreigners and Chinese, have alike found it the most immediately feasible solution to the great economic emergency confronting China. And the cooperatives movement in England has already established the first effective boycott of Japanese goods. The National Cooperative Authority made the decision to boycott Japanese goods on March 3—and its four million members have since put this decision into effect.

Ten Good Reasons

The arguments in favor of starting such an industrial co-operatives movement may be summarized as follows:

1. It will mobilize all available unused capital and labor power for national economic self-defense in the present emergency and create at the same time a permanent new industrial base in the interior.

2. It will supplement what remains of modern native Chinese industry and provide feeders for large factories, but will not compete with big industry.

3. It will create a feasible form of small-industry to supply local needs in the **hsiens** in the interior, which cannot be supplied by big factories in the isolated cities because of lack of a good transportation system to carry manufactured goods long distances.

4. It will revive the economic life of the interior, raise the purchasing power of the people, and thereby revive the Chinese market—both for foreign and domestic trade—as well as giving new life to the Chinese village, which is the basic economic unit of China.

5. It will go far toward solving **permanently** the immense refugee problem, by absorbing all unemployed qualified workmen and wounded soldiers in productive work.

6. It will create a new industrial base for the Government and the national armies and help to replace the Shanghai, Wusih and other industries destroyed by the war—thereby greatly strengthening the government and the nation's power of resistance to Japan.

7. It will win a great deal of international support for China as a constructive measure designed to offset the destructive effects of the present military strategy of the "scorched earth" policy in war areas.

8. It will provide a new patriotic program for all the national salvation organizations in China, take them out of the slogan-shouting stage and put them to actual hard work organizing a whole new civilian army of resistance in the rear, as a second line of defense.

9. These small mobile industrial units can operate near the war areas and prevent the colonization of such areas by Japanese goods. Such "guerilla industry" can be easily moved from place to place as the war proceeds, and does not require stable conditions for its continued existence. Mobile industrial cooperatives can be put under contract by the government to produce war supplies near the front, obviating the present delay due to bad transportation of supplies.

10. And last, but by no means least, an industrial co-operatives movement will creat national solidarity by fostering the cooperative spirit among the people and bringing them and the government together for common action in the present grave national crisis.

Japanese Stopped from Viewing Soong Residence

An attempt to inspect an unoccupied residence in Seymour Road by Japanese plainclothes men May 6 was stopped by American marines who turned out shortly after the arrival of the Japanese in the vicinity. The residence in question, located near Nanyang Road, was reported to have been occupied by T. V. Soong, who heads the Chinese air force. The premises have been vacated for some time. Altogether four Japanese attempted to view the house. They were believed to have arrived from Jessfield Road. As a result of the visit, the Settlement Police has posted policemen outside the house.

Ming Sung Industrial Co. Reports Profit for '37

BY KELLY WEN

THE Ming Sung Industrial Company which showed a profit of more than $350,000 for 1937, despite the Sino-Japanese war, declared at 10 per cent dividend at the 13th annual meeting held in Chungking, April 20.

Before the Sino-Japanese hostilities, this company depended largely upon freight as its chief revenue, the revenue from passenger traffic being only secondary in importance. Prior to August 13, 1937, the company was in a flourishing condition in cargoes and passenger service. Owing to the increasing volume of business, the need was keenly felt that more ships should be built to meet the demand. Since the war, the line of navigation had to be considerably shortened. Up to the present, Ming Sung steamers navigated as far as Hankow from Chungking. This injured the interests of the company. Furthermore, many of the company's vessels have been chartered by the government and the revenue received therefrom has been much lower than that of regular traffic. In spite of the fact that there was a great exodus from Hankow and Ichang up to Chungking, the company has never seen fit to increase the passenger tariff. In 1937 the total revenue from freight receipts was $6,808,456.24, an increase of $11,200,000 over 1936. If it were not for the war, the revenue would be far above these figures. As to the revenue from passenger service for 1937, the company received $1,797,418.14, an increase of $410,000.00 over the previous year.

The Trade Department handled more than $370,000 worth of goods in the fiscal year. These were hardwares, paper, electric wares, cotton yarn, beer and others. But owing to the war, no merchandize could be shipped here and consequently, the business was greatly affected. The Purchasing Division only transacted $66,000 worth of business after the beginning of the war.

The Machine Shop

The repair of the company's vessels in the year under review cost $308,000 which sum indicates a slight increase over 1936. The reason is not far to seek: since the commencement of the Sino-Japanese war, steamers cannot be repaired in Shanghai, and the reconditioning of all vessels must be done at the company's workshop at Chungking, which natually entails higher cost. The addition of many small vessels to the company also increased the repairing expenditures. The building of the long-planned machine shop was started last November and will be completed in the near future. Frantic efforts have been made to build a dock. Construction will be finished in the no distant future.

The company's dyeing and weaving factory produced only $800,000 worth of materials in the year under review, as some more than $300,000 worth of stocks were left unsold from 1936. Since the war, imports in piece goods showed considerable decline as a result of which stocks accumulated in 1936 found a ready market. The Da Cheng Spinning And Weaving Factory, Hankow, it is learned, will be incorporated with Ming Sung Dyeing and Weaving Factory. The company's power plant and water works at Hochwan, 65 miles north of Chungking, have rendered a service at the lowest cost. We must take note of the fact that Hochwan is only a small country. Consequently, the consumption of electricity and water supply is very small. The revenue from the power plant is more than $43,000 and water works $7,000, which can only cover the overhead expenses.

The investment made by the company showed better prospects than that of 1936. The profit accrued from investments in 1937 amounted to $59,402.35 which almost doubled that of the previous year. Among the enterprises in which Ming Sung invested were the Young Brothers Banking Corporation, the Hua Tung Trading Company, the Tien Fu Coal Mining Company and the Bus Company, Chungking, from which the company has received good dividends and bonus.

The company has also acted as the agent for the Siemens China Company, the Hsin Hua Insurance Company and the South British Insurance Company. Last year, the company sold about $80,000 worth of electric wares. As agents for the above-mentioned insurance companies, the company made a commission of $26,448.45. It is firmly believed if it were not for the war, the company would have done better insurance business. As regards the company's loss and profit for 1937, the following will be illuminating:

Loss		Profit	
Coal	$822,248.02	Freight R'ed	$6,808,456.24
Oil	713,489.93	Passenger tariff	1,797,418.41
Materials used	286,925.81	Products made	308,070.29
Repairs	560,054.37	Electric Plant	47,758.02
Insurance Fee	473,636.65	Water works	8,889.39
Depreciation	918,457.56	Dyeing & Weaving factory	88,731.66
Rebate	392,826.54	Sales	338,563.58
Passengers Food	293,546.16	Commission	26,448.45
Loading & Unloading	287,154.84	Dividends from Investment	59,402.35
Rental	188,062.08	Profit from materials	180,519.09
Tax & contributions	207,278.06	Interest received	216,653.02
Purchases	214,467.97	Sundries	92,963.65
Interest paid	501,677.42		
Bad debts	109,696.83		
Accidental losses	926,743.69		
Salaries & Wages	1,599,414.49		
Food for employees	349,061.63		
Administration expenses	426,121.93		
Special expenes	161,497.38		
Sundry epenses	281,485.88		
Net Profit	350,023.55		
Total	$9,973,874.15	Total	$9,973,874.15

The following table shows how the profit was appropriated:

Statutory Reserve	$ 35,002.36	Profit for the fiscal year of 1936	$350,025.55
Interest & dividends	298,854.44		
Income Tax	9,450.64		
Balance carried forward	6,716.11		
Total	$350,023.55	Total	$350,023.55

The Ming Sung Industrial Company has been established for 13 years. Owing at its rapid development, the company's assets have reached $12,156,853.34 up to the present. For the details of the company's assets, one may note the following table:

Assets		Liabilities	
Vessels	$5,679,521.69	Capital	$3,500,000.00
Machineries	209,103.83	Reserve	382,426.77
Power plant & water works	113,393.90	Special Reserves	1,942,659.71
Land & buildings	425,662.14	Reserves for Depreciation	2,177,838.23
Furniture & Fixture	633,598.66	Bond, first issue	650,000.00
Materials	291,964.88	Accounts Payable	419,461.49
Loans	627,691.77	Deposits	1,769,000.15
Cash on hand	106,891.84	Employees' Savings	223,744.20
Accounts receivable	548,250.66	Dividends & Bonus unpaid	19,033.19
Current accounts receivable	267,330.29	Securities received	12,913.22
Deposit in banks	549,055.89	Sundry creditors	301,900.53
Deposit made in advance	1,121,487.34	Deferred interest	406,896.30
Doubtful accounts	41,408.19	Net profit	350,023.55
Deferred charges	50,526.22		
Total	12,156,825.34	Total	12,156,852.34

The company was first organized by Mr. Lu Tso Fu, Pen Sui-Cheng, Cheng Pi-Cheng and several others in 1925 in Hochwan, 65 miles north of Chungking on the Kailing River. The concern was capitalized at $20,000 out of which $8,000 was used to build a steamer plying between Hochwan and Chungking. After a period of about one year, a formal meeting of the shareholders was held in Chungking under the chairmanship of Mr. Lu. Directors were elected among whom were Dr. T. V. Soong, Mr. Chang Kai-Ngau and many other prominent officials and industrial leaders.

"Ming Sung" first Steamer

The first steamer "Ming Sung," a 70 ton vessel, started service between Hochwan and Chungking and it made a wonderful success, because of the many reforms instituted by Mr. Lu. The compradore system which was the order of the day was changed to the manager system. Prior to the construction of "Ming Sung," there was no steamer playing between Hochwan and Chungking. But when "Ming Sung started the service, many other shipping concerns followed to compete with "Ming Sung." Owing to the sound building and good management of the ship "Ming Sung" made a success.

After one year's service plying between Hochwan and Chungking, the company made a good profit and a dividend of 20% was distributed. Consequently, larger support was received from the public and the capital was increased to $150,000. As a result two more vessels were purchased. A new line was operated between Chungking, Suifu and Kaiting on the Yangtse and Ming River. At present, the company owns 49 vessels three of which have been chartered from other companies. Among these there are ten vessels with a tonnage of 1,400 each capable of carrying heavy engines, rails and rolling stocks. The vessels are equipped with radio and foreign meal service.

German Officers in China to Be Recalled

All German officers serving with the Nationalist Government as military advisers and instructors will shortly be recalled home by the Reichs Government, according to information received in Tokyo from Peiping. Exception, the report said, will be made in favor of those who cannot serve with the German Army in active capacity.

War Inflicts Heavy Damage in Shanghai Area

STAGGERING—almost unbelievable—damage suffered by Shanghai industries when hostilities raged around Shanghai and departed leaving a trail of havoc in sections once the most thriving in the city, were revealed last week in a report on the industrial situation released by the Shanghai Municipal Council. It is stated in the report that no complete estimate of the damage can be given, but even the figures made available for the losses in larger enterprises are nothing short of colossal. Although the report largely consists of a sorry tale, there is one ray of optimism to be found, showing that even if Shanghai has suffered huge losses, it has not lost its power of recovery, and some effort is already being made by industrialists to resume operations where and how they can, so far as circumstances permit.

Before the hostilities a total of 3,801 industrial enterprises in the international Settlement (excluding Outside Roads) had been registered by the S.M.C. Industrial Section, and were operating, states the report. The following table shows those working at present. It includes those on Extra-Settlement Roads inside the defense perimeter.

Area	No. of factories	No. of workers
Central District	312	6,314
Western District	838	52,631
Extra Settlement Roads	221	25,811
Northern District	381	7,887
Eastern District	109	38,153
Total	1,861	130,796

There has been an influx of factories into the Western District Extra-Settlement Roads district inside the defense perimeter. As land is cheaper in the more sparsely occupied residential areas, many have set up establishments therein. The Tsao Ka Doo area has seen considerable industrial activity, practically all empty buildings having been taken over for industrial use, including the large plants of two former Chinese middle schools, one on Yu Yuen Road and one on Kiaochow Road. The following table shows the number of industrial enterprises registered by the Industrial Section on Outside Roads inside the defense perimeter.

Type of Enterprises	No. of factories	No. of workers
Woodworking	1	40
Furniture manufacture	4	228
Metal Industry	14	222
Machinery and Metal Products	32	760
Vehicles for Transport	4	720
Bricks, Glass, etc.	23	962
Chemicals	10	531
Textiles	78	18,647
Clothing	27	1,983
Leather, Rubber	11	240
Food, Drinks, Tobacco	7	814
Paper, Printing, etc.	3	47
Scientific and Musical Instruments	1	60
Other Industries	6	557
Total	221	25,811

New Enterprises

Inquiries are being made daily concerning sites for the setting up of new industrial enterprises, and several large plants will shortly be under construction. Many small factories have started work in the Settlement since the cessation of hostilities as shown in the following table:

Type of Enterprises	No. of factories	No. of workers employed
Woodworking	11	177
Furniture Manufacture	6	107
Metal Industry	13	129
Machinery and Metal Products	112	1,446
Vehicles for Transport	2	8
Bricks, Glass, etc.	6	237
Chemicals	33	343
Textiles	17	371
Clothing	38	810
Leather, Rubber	1	9
Food, Drinks, Tobacco	5	113
Paper, Printing, etc.	35	518
Scientific and Musical Instruments	13	156
Other Industries	47	927
Total	339	5,351
Number of new factories opened from the outbreak of hostilities until the end of 1937	422	6,584
Total number of factories opened since the outbreak of hostilities to May 1, 1938	761	11,935

In December the Industrial Section reported that 905 industrial establishments in the Settlement Areas North of Soochow Creek had been destroyed and that possibly one thousand more had been looted or damaged. A further check shows that this figure is substantially correct. Generally speaking Chinese enterprise in the Eastern district has not yet been permitted to carry out repairs and to resume operations. Foreign firms in that area, on the other hand, have repaired their war damage and are now working—many to capacity—to supply the present demand for their products. Foreign concerns have increased in number.

There are now 109 factories operating with a total of 38,153 workers. Before the hostilities there were over 2,000 factories operating in the same area with over 135,000 workers. In some cases, as with the B.A.T. factories, workers are taken down to the Eastern district by transport especially provided for them. In the case of most Japanese mills, the labor quarters already provided are used. Except for military traffic, however, most of the district still presents its deserted war time appearance.

Workers' Housing

In addition to the large number of fires which at the time of hostilities destroyed many crowded sections of industrial districts and rendered difficult the problem of workers' future housing, there have also been fires in the Yangtszepoo districts since the cessation of hostilities which have again reduced available housing accommodation.

Figures supplied by the Fire Department show that for the first four months of 1938 there were 183 fires attended in occupied areas, involving damage or destruction of a total of 461 dwelling houses and 193 straw huts. It is worthy of note that almost all the straw huts in the Eastern district have now been burned. This fact alone will remove the possibility of many thousands of workers returning immediately to that area if it should open. Almost all available plots of vacant land on the Settlement border in the Tsao Ka Doo area have now been covered with straw or bamboo matting huts usually of poorer type than those originally in squatter hut areas before the hostilities. Here are now housed many refugee factory workers as well as the casual laborers who usually occupy housing of this type. Present indications are that the poorer sections of the industrial worker population will now be housed in this district.

No very complete statmeent regarding industrial losses in various industries in the whole Shanghai area has yet been compiled, but inquiries made from various trade associations have resulted in the giving of the following information which is here presented. From the list of cotton mills published in 1936 by the Chinese Cotton Mill Association it is noted that of the eighty-eight Chinese cotton mills in China, thirty were in the Shanghai area Seven of these with approximately 327,000 spindles were situated inside the British and American defense sectors and worked throughout hostilities, in spite of minor shell damage inflicted on some. The remaining twenty-three Chinese mills in other suburbs with approximately 758,000 spindles have been damaged to a varying extent, so that a considerable amount of repair work will have to be carried out in most before they can recommence operations. Only one is known to have resumed operations. It is one of the smallest in the Settlement, the Chen Hua Lee Kee Mill in Lay Road which in prewar times employed 540 workers. It opened the last week in April with 300 workers.

Wusih Suffers

Cotton mills in the Wusih area, which before the war was rapidly becoming so closely linked with Shanghai as to be almost a part of the industrial organization of this city also suffered severely. Of the 15 Chinese mills there which had a total of 375,000 spindles one has been totally destroyed while most others have had severe losses. The same list shows that of the 47 Japanese cotton mills in China 30 are situated in Shanghai. The most severe damage was suffered by the Toyoda on Brenana Road which in 1936 had 102,508 spindles and 1,388 workers. It was largely destroyed. Most Japanese mills are now working double shifts again, in spite of shell damage which has necessitated repairs. Next to the Toyoda, the most seriously damaged was the Japan China (Nikka) Mill in Pootung which in the same year had 50,656 spindles. The six British mills in China are all in Shanghai. Of these, five are working. These are industries operating classified according to nationality of companies, type, and workers employed:

Metal		Others		Total	
5	208	12	356	33	21,325
6	1,048	17	6,291	30	13,740
2	264	6	459	11	1,866
6	62	1	4	20	638
5	85	5	69	12	334
2	224	1	26	3	250
26	1,891	42	7,205	109	38,153

Dyeing, Printing And Weaving

It has been estimated that before the hostilities there were eight to nine thousand hand weaving looms in dwelling houses around Shanghai, on which over 50,000 persons depended for their

livelihood. It is estimated that not more than three thousand of these have begun to operate again. Most of them are now situated in the Western district, in the vicinity of Siccawei. The largest machine weaving shed in Shanghai is that of the Wing On Mill in Lay Road. This building is still occupied by the military. The machine weaving shed of the Jin Foong Mill in Tsitsihar Road, one of the large Settlement concerns, was completely destroyed. The Chinese Dyeing and Weaving Association estimate a loss of $9,830,000, with one hundred and ninety concerns destroyed. They estimate that at present there are over 21,000 workers in this industry who cannot find work.

Out of the fifty Chinese knitting factories in Shanghai, averaging about 150 workers each, fifteen were completely destroyed. Nine of these managed to move some of their machinery before destruction. Eight of the undestroyed in occupied districts also moved machinery. Fifteen, mostly in the French Concession, suffered trade losses from 40-70 per cent over the eight months period. The largest Chinese loss was that of the Woo Ho Company in Washing Road, where 500 workers were employed. The Japanese Kong Tai Hosiery Factory established in 1923 with a capital of Tls. 500,000, was the lragest foreign loss.

Silk Filatures

Silk filatures in the area surrounding Shanghai suffered severely. It is estimated that they lost $100,000,000 in the past half year through destruction and loss of trade. Three quarters of the total number have been destroyed. Actually in Shanghai before the 1932 war there were 108 filatures. That war and the subsequent slump reduced their numbers to 51, not half of which have survived these hostilities. Wusih has had 46 filatures damaged in these hostilities, thus putting out of production a total of 14,402 basins.

Practically the only ones working are the four in Shanghai which remained in the safer portions of the Settlement or on outside roads inside the defense perimeter. Those destroyed in Shanghai suburbs previously employed 18,896 workers and had a total capital of $2,832,580.

No fewer than 118 small factories in which silk weaving was done in the Settlement were destroyed. Many of those which operate in safe portions of the Settlement use imported raw material, for with the destruction of most of the local silk filatures, little silk is available.

It has been estimated that there were 400 in the whole area, and that 300 have been lost. Of those lost, however, many removed a loom or two with them when they evacuated their little plants, and many of these have been set up in the Tsao Ka Doo area.

Chemical Works

The Shanghai Portland Cement Co. at Lunghwa, in which two million dollars was invested in machinery alone, was seriously damaged. Off Brenan Road was the Tien Yuan Electrical Chemical Works, which manufactured bleaching powder and phydrochloric acid. It had a capital of $300,000 and was almost a complete loss. In the same locality were two other chemical plants, the Tien Lee and the Shao Shin. Tien Lee Synthetic Nitrogen Products Co. produced nitric acid, aqua ammonia, ammonium nitrate, calcium nitrate, and salt ammonia. The Shao Shin Chemical Works produced sodium sulphide and calcium carbonate. Both plants were damaged.

The Kiangwan Chemical Works in Chapei reports a 40 per cent loss in its works where nitric acid, charcoal, wood alcohol and cresote were manufactured. The Yoong Woo Industrial Works in Ming Sun Road where tooth paste, rubber goods and lacquer paint were produced was almost a total loss. The Alcohol Plant in Pootung was damaged, but the Mairon Alcohol Factory in Wayside Road where alcohol was made from sweet potatoes, escaped. The Tien Ih large gourmet powder and artificial soya bean sauce plants in Yangtszepoo were completely destroyed. The newly elected modern plant of the China Industrial Gas Co. in Liaoyang Road was partially destroyed. The Jenward Napthalene and Cresote plant and the newly established Carbide plant both in the Yangtszepoo district escaped. The Yung Ku Paint and Varnish Works at Kiangwan was destroyed, while damage was done to the three other large paint factories which operated on the Chapei side of the city.

Soap Works, Tanneries

Chinese soap works lost extensively. The International Dispensary reports a loss of $500,000 in its Koo Pun Soap Works. Other large losses were the Yu Hwa and the Butterfly Works in Kiangwan, the Tung Foong in Nantao the Nanyang Candle and Soap Factory in Chapei, and the Kwangtung in the Western district. Completely burned was the Japanese Jiu Pao Soap Factory in Kwenming Road, a plant established in 1910 with a capital of $250,000. Starch was also made here.

The British China Soap Works in Yangtszepoo Road had some damage but work has been carried on. Smaller soap works and tanneries lay mostly on the outskirts of the city and were almost all destroyed. The Tsing Yih Leather Works at Pa Ts Chao was burnt completely, and the Da Hwa Tannery on Brenan Road badly damaged by shelling.

Before the hostilities the rubber shoe industry as well as the manufacture of hard rubber goods was a growing one. There were 35 rubber factories in the whole area, in which six only are now working. The estimated total loss is five million dollars and the number of unemployed workers approximately 7,000. Nine Settlement factories were burnt out as well as two which lay on outside roads. The biggest Settlement loss was that of the Tsung Tai on Dalny Road, the same company which suffered destruction through explosion and fire in 1933 in its Tongshan Road Plant.

Following its 16 million dollar loss in Chapei in the 1932 war the Commercial Press reconstructed some of its plant there. This agian suffered badly, the loss this time being between $500,000 and a million dollars. The other large publishing concern, the Chung Hwa Book Company has closed its Shanghai plant for the time being. The Kai Min Book Company's premises at Hongkew, capitalized at $300,000, were completely destroyed. The World Book Company in Dalny Road has escaped destruction but is still occupied by military forces. Approximately 200 small printing plants in the whole area were destroyed, 45 of them being in the Settlement. The largest foreign loss was the plant of the Japanese firm, the China Offset Printing Co. in Tsitsihar Road. The Chinese "K.K." Offset Printing Works on Kwenming Road were also gutted.

Tobacco Factories

Capital invested in Chinese tobacco factories in Shanghai was over 12 million dollars. Out of the eighteen bigger concerns, eight were destroyed involving a loss of over five million dollars. The loss of the Nanyang Tobacco Company's premises in Broadway was one of the largest. Next comes that suffered by the Hwa Cheng Tobacco plant on Wayside Road. These two plants together previously employed about six thousand workers. The Great Eastern Tobacco Company's plant in Kungping Road was another large loss. The plant of the British American Tobacco Company in Yangtszepoo suffered some shell damage, but repairs have been undertaken and the factory is again working.

Flour mills were more scattered than were other big industries, for in the northern provinces much flour is the staple article of diet. Out of the 90 bigger mills in China, only fifteen were in Shanghai, and so far only eight of the whole total are known to have been destroyed. One of these, with a daily production of 3,500 bags was in Chapei.

Thirteen of othe larger Chinese timber mills in Nantao and eight in Chapei were damaged or destroyed. Those in the Western Brenan Road area suffered badly, the Chinese Yuen Mou, the Japanese Nomura and the British Block and Woodcraft plants all being destroyed. The combined loss of the two last mentioned British concerns is reported to be about one million dollars. In Hongkew, the American owned Shanghai Building Co. Lumber Mill was badly damaged. Two match splint factories in Potoung and one in Nantao were damaged, while one more in Kiangwan was a complete loss.

Machine Works

A great many of the plants destroyed were machine works. 410 were destroyed in the Settlement alone, and hundreds more in Chapei and Nantao. The area in Chapei once crowded with machine and metal works just north of Medhurst College in Chaoufoong Road, has been razed. The Central Machine Works, erected just over the bridge from Poh Sing Ching opposite Pearce Road was pulled down and removed to the interior before the retreat from Shanghai. It was part of a Ministry of Industry scheme for an iron works, a steel works and a machine works. The Kiangnan Dock and Engineering Company's plant in Nnatao, the Oriental Iron Works next to the Central Machine Works, the Ming Ching Printing Machine Manufacturing Company in Chapei and the China Scientific instructment Company's Factory at Chenju, were among the bigger premises damaged outside the Settlement.

Among the more significant losses were those which included the model premises of the China Can Company in Ward Road, where much welfare work was undertaken among the 700 employees, as well as the well equipped Chinese Educational Goods Factory in Kwenming Road where 200 skilled workers fulfilled the requirements of science departments in Educational establishments. Both of these factories were completely destroyed. The Can Company loss has been estimated at $1,000,000. The new Da Hwa Educational Goods Factory at Kiangwan was also burnt. The recently erected plant of the American Ramie Fibre Compay, in Kwenming Road, and the British Shanghai Ice and Cold storage premises, in Hongkew, were both destroyed.

Kwang Hwa University Opens At Chengtu

The Kwang Hwa University of Shanghai, the campus of which is now under Japanese occuption, has resumed functioning in Chengtu, the capital of Szechuen, which is now being considered as the Athens of China. The Kwang Hwa at Chengtu is located at Wangkiapa Street and had its formal opening April 6th. In Chengtu today are also the University of Nanking and the Ginling Women's College of the occupied area, besides the National Szechuen University and the West China Union University.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

April 14.—Part of 10,000 Japanese troops surrounded within city walls of Yihsien, north of Taierchwang, southern Shantung, tried to escape Chinese cordon, but failed. Heavy fighting continued with Japanese desperately holding off Chinese columns. Japanese at Tsaochwang, north of Yihsien, withdrew and are fighting in the open, trying to discover weak spot in encircling Chinese line through which to retreat.

Japanese rushing reinforcements to the two besieged cities, but their attempts to relieve their entrapped comrades futile, due to extensive destruction of tracks of Tientsin-Pukow Railway by Chinese mobile units.

Japanese military operations will never stop along Yellow River line, but will be extended to a thorough punitive expedition so long as "Chiang Kai-shek persists in his anti-Japanese campaign," declared Commander of Japanese forces at Shihchiachwang.

April 14.—Chinese reoccupation of Taierchwang, on Tientsin-Pukow Railway front, admitted by Japanese military spokesman at Peiping, declaring "Maybe Taierchwang is now in Chinese hands." Chinese military strength in southern Shantung estimated by the spokesman to total 13 Divisions.

April 14.—Japanese War prisoners numbering 719 taken at Taierchwang sent to Hankow. Also arriving are 12 Japanese engineers captured by 8th Route Army in Shansi and 8 other war prisoners taken in North Shantung.

Hankow authorities taking special precautionary measures to prevent disorders on arrival of Japanese prisoners.

Kpril 14.—Chinese troops under Gen. Ma Chan-shan, hero of Nonni River battle of 1931, have reached a point on Peiping-Suiyuan Railway only 30 miles from Kweihua, Suiyuan capital, according to report received at Hankow.

April 14.—Fourteen trucks of wounded Japanese troops arrive in Yangtzepoo district from Chapei, testifying to reports of serious guerilla warfare in immediate vicinity of Shanghai. Heavy fighting reported in upper reaches of Whangpoo River, particularly Sungkiang and Minghong, and also on southern and eastern shores of Lake Taihu.

Travellers arriving at Shanghai from interior report extensive destruction of villages by Japanese in their attempt to subdue Chinese gurillas.

April 14.—Sixteen Chinese military officers courtmartialled and punished at Hankow for various offenses. Of these, 8 were executed, 3 sentenced to imprisonment, and the rest dismissed from office, to be further examined and punished.

April 14.—"Hsuchow, strategic junction point of Tientsin-Pukow and Lung-Hai Railways, was never the objective of present Japanese campaign on the Tsin-Pu front," said Japanese military spokesman at Peiping. Similar opinion expressed by other Japanese military spokesmen.

Chugai Shogyo, leading commercial daily in Tokyo, predicted imminent fall of Hsuchow.

April 14.—China decided to recognize the anschluss between Germany and Austria; Chinese Legation in Vienna to be replaced by Consulate-General.

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April 15.—Chinese troops besieging Yihsien storm city walls and attempt to force entry. About 10,000 Japanese troops believed entrapped inside the city. Reported some 4,000 Japanese troops succeeded in cutting their way through Chinese line and escaping northward prior to Chinese attack.

Large bodies of fresh Japanese troops from Japan landed at Tsingtao and other Shangtung ports and rushed to the Tsin-Pu front for new Japanese offensive "to avenge Taierchwang." Between 2,000 and 3,000 Japanese reinforcements already arrived at Chuhsien, northeast of Lingyi, southeast Shantung.

In northwestern Honan, Chinese troops, after having crossed Yellow River, are in control of major portions of cities of Chiyuan and Pinglu after three days' heavy fighting with the Japanese. Both cities are on north bank of Yellow River.

April 15.—Soo Hsi-wen, Mayor of "Ta Tao" government in Shanghai, narrowly escaped death when two hand grenades were thrown at his car. Soo uninjured.

April 15.—High enthusiasm in Hankow as result of reports that the Chinese forces are holding their own on various fronts. Hankow quiet and many refugees returning to towns; many government officials remain in city.

April 15.—T. V. Soong, Chairman of National Aeronautical Commission, denied that he was hurt in Japanese air raid over Changsha April 10.

April 15.—Sun Fo, President of Legislative Yuan, visiting in London, denied (April 14) seeking loan in England. Possibility of arranging commercial credits for China considered feasible.

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April 16.—Chinese success at Taierchwang described as "well-earned victory" by foreign military officer who visited Chinese front-line trenches during the fighting and entered Taierchwang with Chinese April 7. Japanese casualties at Taierchwang battle, he estimated, were between 5,000 and 7,000. Chinese troops storm city walls of Yihsien, north of Taierchwang, southeast Shantung, but fail to gain entry. Chinese awaiting heavy guns to launch general attack. Northeastern outskirts of Yihsien reported occupied by Chinese. Strong Chinese detachment dispatched from Lingyi towards Chuhsien to check threatened Japanese drive to Lingyi.

Japanese naval spokesman at Shanghai claimed "Japanese airmen shot down with ease 15 British manufactured Gloster Gladiator planes during air raid in Kwangtung yesterday (April 15)."

April 16.—New Szechwan army, comprising six Divisions, reputed to be best trained and equipped, to be sent to fronts before June. Plan for mobilization of the Army completed after lengthy conference between Gen. Chiang Kai-shek and high Szechwan military leaders.

April 16.—Sixty per cent of arms that pass through Hongkong for China are of German make, and 25 per cent Italian, according to **Havas** report quoting **Manchester Guardian.**

April 16.—Japanese military spokesman claimed the 719 Japanese war prisoners taken in southern Shantung were not Japanese but "Chinese dressed in Japanese uniforms."

April 16.—Japanese merchants said engaged in extensive smuggling of Japanese goods into China according to foreign business man who arrived at Shanghai from Nagasaki.

April 16.—Hankow Military Affairs Commission refuted Japanese accusation Chinese troops use poison gas in southern Shantung.

April 16.—Beginning from night of April 19, North China will go on Japan standard time, as ordered by Japanese military at Peiping according to **Domei.**

April 16.—Charles W. Worth, American missionary, recently arriving at Shanghai from Kiangyin, says large Chinese guerilla bands operating in Lower Yangtsze area. Japanese troops fear to advance into countryside unless they are in large groups and carry machine guns. Out of normal population of 60,000, only some 5,000 now remain in Kiangyin.

April 16.—Sir Archibald Clark Kerr, British Ambassador to China, arrived at Hankow from trip to Chungking to present his credentials to National Government.

April 16.—Nanking's "Reformed Government" will soon take over Shanghai Maritime Customs, Tokyo **Nichi-Nichi** reported.

April 16.—Revised tariff rates in favor of Japanese imports will be enforced by the Peiping "Provisional Government" in the near future, according to **Domei.**

April 16.—The Kailan Mining Administration (British owned mining enterprise at Tangshan, Hopei) strike settled with concessions to the miners.

New Japanese concern formed to control sales of Kailan coal in Japan, "Manchukuo" and to Japanese nationals in China. Kailan administration announces plan to increase capital.

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April 17.—Chinese high command on Tientsin-Pukow Railway front changed tactics by halting drive on Yihsien. Main body of Chinese forces shifted for operations in "undisclosed area," while smaller forces are being used to surround Yihsien, Tsaochwang and Hsiangchen, in southern Shantung.

Japanese continue to mass troops on the Tsin-Pu front. Most of the reinforcements are units transferred from Shansi and Peiping-Hankow

Railway zone. Japanese threatened drive "to avenge Taierchwang" expected at any moment.

April 17.—Japanese aircraft carried out four night raids over Hankow.
Some 50 persons killed and 100 wounded in Canton during Japanese air raids.
Nanchang, Kiangsi capital, air-raided (April 16).

April 17.—Thirty-one Chinese Divisions have been trained since January, stated John Gunther, American journalist and author, in interview with **The China Press.** Mr. Gunther, who arrived at Shanghai after lengthy visit in Hankow, stated that both Chinese Government officials and German military advisers were confident in ability of China's armed forces to stem drive of Japanese troops.

April 17.—Additional contribution of U.S. $100,000 from American Red Cross received by Shanghai Advisory Committee of International Red Cross. This contribution raises total received from American Red Cross to U.S. $364,000 since beginning of Sino-Japanese conflict last year.

April 17.—Bomb explodes in mail-bag from Shanghai in Hongkong Post Office.

April 17.—General Chiang Kai-shek gave Easter address in radio broadcast from Hankow on "Why we believe in Jesus."

April 17.—Damage caused by Japanese bombing of Hunan University at Changsha on April 10 estimated at $470,000.

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April 18.—Japanese forces launch major offensive on Chinese positions in Lingyi, southeast Shantung, east of Tientsin-Pukow Railway. Heavy fighting proceeding with Chinese holding off Japanese attacks. Chinese high command rushing more troops to strengthen Lingyi front.
Japanese troops entrapped at Yihsien, north of Taierchwang, made fierce counter-attack, but were driven back. Chinese "Dare-to-Die" Corps scale city walls of Yihsien, but unable to gain foothold inside city because of heavy Japanese machine-gun fire.
Chinese launch counter-attack on Hanchwang, north of Grand Canal, on the Tsin-Pu Railway, claimed occupation of Hanchwang Railway Station.
Hsinhsiang, important junction city of Peiping-Hankow and Taokow-Chinghua Railways, in northern Honan, recaptured by Chinese troops.

April 18.—Large areas in Shanghai and Pootung countryside laid waste by Japanese troops in their effort to combat Chinese guerilla bands. Many villages destroyed by fires; southern Pootung districts burning five days and nights, according to refugees arriving at Shanghai.

April 18.—Another explosion occured at Hongkong Post Office. The explosion, as on previous occasion, originated in mail bag from Shanghai. As both mailbags were destined for Hankow by airmail, it was believed that they were intended to catch same plane on which T. V. Soong and several other government officials were travelling to Hankow.

April 18.—Japanese planes stage three night raids over Hankow dropping over 30 bombs in vicinity of airdrome. Chinese pursuit planes engage raiders in third attack.

April 18.—Delegation of Mongolians, Tibetans and Mohammedans present huge silk banner to Gen. Chiang Kai-shek as token of respect and loyalty.

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April 19.—Under heavy artillery fire Japanese troops launch mass offensive on Chinese forces in Lingyi sector, southeast Shantung. Chinese rush large reinforcements to Lingyi to check Japanese assault. Fighting raging furiously with Chinese offering stubborn resistance.
On Eastern Front, Chinese troops reported to have advanced to a point only 4 kilometers from Liyang, important town on Nanking-Hangchow Highway.
In Peiping-Hankow Railway zone, Japanese troops are reported to have withdrawn northward from Nanlo and Tsingfeng. Chinese troops are attacking Puhsien and Puyang, southern Hopei.

April 19.—Hankow thrilled by heroism of another "doomed battalion," which stormed and entered Chiyuan city, northwestern Honan, April 10. Surrounded by Japanese inside the city walls, the battalion held out for 9 days, despite heavy losses.

April 19.—Some 2,500 Japanese troops arrived at Shanghai from Japan to reinforce troops in vicinity of Shanghai in combating Chinese guerillas.

April 19.—Li Shih-hao and Wu Kwang-hsin, two formerly prominent Anfu politicians mentioned for important posts in the Japanese puppet "Reformed Government" at Nanking, arrive at Hankow and declare allegiance to National Government.

April 19.—Admiral Sir Percy Noble, Commander-in-Chief of the British China Station, departed from Shanghai for Hongkong aboard H. M. S. Cumberland.

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April 20.—Sanguinary street fighting proceeding at the north and west gates of Lingyi, southeastern Shantung. Chinese making desperate attempt to drive out Japanese detachment which entered the city through breach in city wall made by Japanese heavy artillery. Japanese military spokesman in Peiping claimed "complete occupation" of Lingyi.
Japanese troops in Hanchwang area, on Tientsin-Pukow Railway, resume offensive. Szechwan troops commanded by Gen. Sun Cheng, which reoccupied Hanchwang, evacuate the city.
Japanese troops entrapped at Yihsien attacked Chinese positions, but were repulsed.

April 20.—Chinese Government orders 10-hour work day, including Sundays and Holidays, during period of war.

April 20.—Term of Admiral H. E. Yarnell as Commander-in-Chief of United States Asiatic Fleet has been extended beyond October 1, when it would normally expire, according to report.

THE DUCE AND THE FUEHRER TALK THINGS OVER

(Continued from page 309)

and vital interests of a great nation. It is, therefore, no more than natural that our two people should continue to develop and deepen in close collaboration in the future the friendship which became more and more steady these last years. Duce, you proclaimed as a moral law sacred to you and Fascist Italy the principle 'to speak cleanly and frankly and when one has a friend walk with him to the end. I also associate myself in the name of National Socialist Germany to this principle."

Japan to Cooperate with Fascists

Japan will further strengthen her co-operation with Germany and Italy in dealing not only with China but with the inetrnational situation, Foreign Minister Koki Hirota said this week. Hirota said that China in waging so-called long-term hostilities against Japan depends on the Soviet Union most of all foreign Powers. The Soviet Union, he said, in view of the adverse turn in the European situation, and actuated by a desire to safeguard her own position, was in favor of prolonging hostilities between Japan and China and extending "fairly large-scale assistance" to China, including supplies of munitions and military instructors.

Moscow Raps England

Pravda in an article entitled: 'Rome Meeting' writes: "There is no doubt that the Italo-German negotiations will give a new impetus to further aggression of the German-Italian axis, seeking a new repartition of the world. There is, likewise, no doubt that the chief responsibility for this rests with the reactionary circles of England (as also with the French ruling circles trailing behind them) who retreat step after step before the fascist aggressors."

Five Christian Women Murdered with Catholic Priest at Changlo

Further light on the slaying of Father Frederic Fourre, a Franciscon priest, at the town of Changlo, Shantung on the Kiaotsi Railway, April 29, was received in Shanghai this week with the receipt of details from the vicariate at Iduhsien by the local Franciscan fathers. Father Fourre, who was attached to the vicariate at Iduhsien, had gone at Changlo on business connected with the Franciscan convent at that place. He was not only shot to death by members of the Japanese sponsored "Chinese Peace Preservation Corps" at Changlo but three Chinese sisters, two servants and two Chinese girls preparing to become nuns, also were killed, according to the information received here.

Father Degare, another Franciscan priest at Iduhsien, has made repeated requests to the Japanese military authorities garrisoning the area to permit him to proceed to Changlo conduct an investigation into the circumstances concerning thet incident, the information received locally continues. The same information adds that these requests have been refused. According to the Franciscan side of the story, as related here, Father Fourre was attempting to prevent "Peace Preservation Corps" men from foreign their way into the convent and he was shot down. The ehooting continued and the three nuns, two student nuns and the two servants were fatally wounded. Just what happened after that has not yet been ascertained by the local Franciscan mission.

Announcement that the priest had been killed was first made in Shanghai in a communique wired to this city by the *Domei News Agency* at Peiping. This communique placed the responsibility on the French missionary for his alleged "hindrance of a Paoantui squad and opening fire from his pistol upon the Chinese militamen."

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FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

A Newspaper Man Writes His Own Obituary

SATURDAY, May 7, the *Shanghai Evening Post & Mercury* published the most dramatic story that ever passed across its city desk. It was written by Henry Hufner, the *Post's* city editor. Hufner was not there to edit it, to okeh it. But another man was bending over it, following the dramatic sweep of each sentence—the stark drama of a man at life's end. The newsroom was quiet. Slowly, he slipped a sheet of copy paper into his typewriter and punched out the story's "hed"—the top three line, a three-line "dek," a two-line "bank," then another three-line "dek." He marked it: "Top . . . page 1 . . . column 5." Hufner had written a "scoop" for the *Post*. It was the biggest story that Hufner had covered in his four years as a newspaper man. But it was a story that the *Post* published with heavy heart. Hufner had written his own obituary.

Some hours before his story was edited in the newsroom, Hufner had committed suicide by leaping from the roof of Shanghai's Navy Y.M.C.A. His death leap came, as Hufner noted in his story, "less than 15 hours after the death of his fiancee, Violet Ethyl Thompson, who died in the Country Hospital . . . . ." Miss Thompson, too, had left Shanghai the hard way. She, also, had taken her own life.

In the afternoon edition of the *Post*, under the heading "Hufner Writes Own Obituary Before Suicide," Hufner's own account of his death and the events leading up to it was published. The story:

"Henry Hufner, city editor of the Evening Post, committed suicide early this morning at the age of 29 years, less than 15 hours after the death of his fiancee, Violet Ethyl Thompson, who died in the Country Hospital at approximately 11.24 a.m. yesterday. The deceased took his own life by jumping from the roof of the Navy Y.M.C.A. on Szechuen Road where he lived. He is survived by his father, Jacob Hufner, three brothers three sisters and other close relatives all residing in New York City.

Last Request

"It was the last request of Mr. Hufner that he be buried in a common grave with his fiancee. He died in the belief that she loved him till the end that she would wish to be with him in death. It is not the wedded life he would have chosen, but if she desired death it is of no great consequence. The motive for Miss Thompson's death can never be decided with certainty, but it was the belief of Mr. Hufner that some thoughtless word of his may have started her brooding. This coupled with her rundown condition resulting from an absessed tooth was enough to cause temporary insanity which prompted the suicide.

With Regret

"Although unselfish and thoughtful, it is certain that she would not have brought suffering to her family if in her right senses. It was the regret of Mr. Hufner that his fiancee did not die in the knowledge that he would be with her. At 23 she was still a child with just the beginnings of a woman's feelings. She was sensitive and highstrung; he blunt and slow to understand her nature. She took her own life, he is positive, because of a silly childish notion with no basis in fact. A man with more understanding and sensitivity would have understood her moods and saved her from herself. Yet they died without ever having quarrelled seriously, no spat having ever outlasted the evening.

A Last Gift

"At the request of the deceased he was attired in the pajamas which she had given him shortly before death while other gifts were placed in the coffin as well as her picture. The decision to take his own life was reached by Mr. Hufner after he had seen and touched the body of his fiancee in the hospital, after which no doubt remained that she was gone. He was perfectly sane at the time he died. Suicide had never entered his mind seriously before. He merely desired to be with the one girl he had ever loved deeply and sincerely—that the union could only take place in a grave did not matter.

Completed His Job

"During the afternoon of the 6th, Mr. Hufner cleared out his desk at the Evening Post and put things in order. The evening he spent with the family of his fiancee. Before 10 p.m., he returned to his room in the Y.M.C.A., wrote a number of letters and gave the Evening Post his last scoop."

H. HUFNER.

Besides his own obituary, addressed to the city desk of the *Post*, Hufner also wrote letters to Judge Milton J. Helmick, of the United States Court for China; Mrs. J. A. Thompson, mother of his dead fiancee, and Mrs. E. Harmon, of New York, his mother.

Then, on Sunday, May 8, the last request of Hufner was granted. His remains were lowered into the same grave with those of the girl he loved.

Hufner, 29, an American, came to China in 1934 after graduating from the School of Journalism at the University of Missouri, joining the Transocean News Agency in Peiping. He was transferred to the Nanking Bureau in 1936 and joined the *Post* about one year later.

SHOULD REALISM BE THE POLICY OF CHINA?

(*Continued from page 308*)

of other countries. We should adhere to this general principle. To maintain justice in the world amounts to maintaining China's own stand. In principle, China's foreign policy should adhere to collective security and to the resolutions of the League of Nations. In regard to this point, the outline of foreign policy passed in the recent emergency Congress of the Kuomintang has mapped out a definite plan. Article 4 of the outline stated that China will do her best to safeguard and strengthen all organizations and pacts that are working toward world peace. Therefore China must not participate in any anti-League display and activity which may weaken or lower the power of the League of Nations and other pacts. Really it is good for the foreign policy of any nation to seek as many friendly countries as possible. For the present, we may just as well base our foreign policy on a definite plan and extend our activities to all sides, but we must not proceed blindly without a plan. If somebody believes that under the present situation when the policy of realism is in full swing, it is absolutely necessary for China to reconsider her foreign policy, I would advise that the steps taken must be made with special caution. Anyhow, we cannot abandon the platform of our foreign policy lightly and follow the path of speculation.

Swiss Suspected of Transporting Arms

A Swiss citizen who gave his name as G. Gross is suspected of having been involved in transporting arms to areas south of Soochow Creek, according to the *Shanghai Mainichi*. The arms were disguised as paper, the daily said. Several days ago the man was questioned by Japanese authorities in connection with an alleged attempt to transport sugar disguised as cement into the International Settlement. He was alleged to have been using a permit issued for moving cement in order to evade payment of taxes.

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Vol.	44,	No. 9	April	28,	1928

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THE CHINA WEEKLY REVIEW

160 Avenue Edward VII

Shanghai

Who's Who in China

鄧春膏字澤民
Chun-kuo Teng
(Teng Chun-kao)

Chun-kao Teng, College President; born at Hsun-Hua, Chinghai (Kokonor), 1900: B.A. M.A. Stanford University, U. S. A.; Ph. D. University of Chicago; Dean and later President of Chungshan University, Lanchow; when the University was reorganized as Kansu Provincial College, he remained as President; address: 50 Hsia-Ko, Lanchow, Kansu.

Germans Doubting Value of Japanese Alliance

Japan's difficulties in China are causing some officers of the German General Staff to doubt the advisability of continuing to look toward a German-Japanese military alliance implied in the tripartite anti-Communist Pact, the *United Press* reported from Berlin May 8. Public opinion is becoming increasingly pro-Chinese. The man in the street as well as professional soldiers are wondering more and more what Germany can gain Japan in a military partnership with Japan if Japan has become seriously weakened fighting China.

Since the German-Japanese friendship declaration was aimed at Russia, the *United Press* was informed the German General Staff was wondering how effective the Japanese would be against the Soviet Union. It was felt Japan's aid might be of doubtful value judging by her record in China. Germans are also concerned with the prospects of losing markets in China if Japan succeeds in her plans of conquest. They are, therefore, determined to continue supplying war equipment to China.

A survey of opinion on the Sino-Japanese hostilities revealed that officially Germany continued to be pro-Japanese on the surface but unofficially there was a growing pro-Chinese sentiment throughout the Reich. It is significant that there has been no talk of recalling German military advisers with the Chinese army and who are known to report regularly to Berlin on the war situation. Informants agree the official pro-Japanese attitude will continue for sometime but secretly Germany will depend on less collaboration with Japan in event of a general war.

Japanese Aircraft Carrier to Be Launched

Another aircraft carrier will be added to the Japanese Navy on May 16, when the 9,000-ton Mizuho slides down the ways at the Kawasaki Dockyards in Kobe. The warship's specifications are as follows: length, 176 meters; draught, 5.8 meters; speed, 17 knots; power, 9,000 h.p. The vessel will carry six 12.7 cm. anti-aircraft guns and numerous searchlights.

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In the United States Court for China

WILLIAM OSCAR HEGAMIN, Plaintiff, vs. LUCILLE OPHELIA HEGAMIN, Defendant.	Cause No. 4322 Civil No. 2201 ORDER Filed at Shanghai, China, 23rd, April, 1938. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 23rd day of April, 1938, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of April, 1938, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 22nd day of April, 1938, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided therein at any time, and that defendant's last known address was 129th Street between 7th and 8th Avenues, New York City, N.Y., U.S.A.

NOW, THEREFORE, it is this 23rd day of April, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 14th day of May, 1938, the day of last publication of this Order; otherwise the case will be proceed with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 23rd day of April, 1938.

MILTON J. HELMICK,
Judge.

Men and Events

Manuel Quezon, President of the Philippine Commonwealth, and his family are in Hongkong on vacation.

Cabot Coville, second secretary of U. S. Embassy at Tokyo, has returned to Japan following an inspection trip to Nanking and Shanghai.

James Espey, U. S. vice-consul at Nanking is in Shanghai on vacation. C. A. Cooper, vice-consul at Shanghai has been transferred to Nanking.

Brigadier Arthur Edward Grasett, D. S. O., M. C. has been appointed General Officer in Command of British troops in China, effective Nov, 1. He will have the title of Major-General.

Col. and Mrs. Isaac Newell of Peiping are planning to depart for the United States on an extended trip on May 15. Their temporary address will be in care of the Northern Trust Company, Chicago.

L. S. Gilman, author of the novel, "Shanghai Deadline," returned to Shanghai last week and rejoined the staff of the *Shanghai Evening Post*. Mr. Gilman was accompanied by his bride, formerly Miss Helene Wright of San Francisco.

Another Japanese newspaperman, Koki Nakajima, employed by *Domei*, was wounded on May 5 on the Shantung front. He was shot in the temple, but is now said to be recovering in a military hospital. The battle in which he was wounded took place six kilometers north of Tsowcheng on April 23.

Lieut-General S. Sawada, Japanese military attache in Warsaw, Poland, departed on May 10 for China where he has been appointed in command of a Japanese division. Gen. Sawada was for several years head of the Japanese special army mission at Harbin, Manchuria and is said to be skilled in Russian politics.

Victor Keen, correspondent for the New York *Herald-Tribune*, returned to Shanghai last week from a trip to Hongkong, Canton, Hankow and the war front on the Lung-Hai railway and southern Shantung. Mr. Keen was in Taierchwang and other southern Shantung cities following the defeat of the Japanese forces by Gen. Li Tsung-jen.

U. S. Harkson, managing director of Henningson Produce Company, was elected president of the Shanghai Rotary Club at the annual meeting on Thursday of last week. Other officers included S. W. Wolf, vice-president, and the following directors, Johan Beck-Friis, T. Y. Cheng, K. E. Johnstone, K. T. Kwok, C. W. Petitt, W. Z. L. Sung and E. S. Tellefsen.

Dr. J. Leighton Stuart, President of Yenching University, returned to Peiping following a trip to Hongkong where he attended the annual conference of the China Foundation, which has charge of the distribution of educational funds derived from the American portion of the Boxer Indemnity. C. R. Bennett, treasurer of China Foundation, who also attended the meeting, returned to Shanghai last week.

The Chinese crew of the freighter Mundelta, owned by G. E. Marden and Company of Shanghai, walked off the ship at San Pedro, Cal., when they discovered the ship was being loaded with 25,000 tons of scrap-iron for Japan. The Chinese crew cut off the steam and halted the loading. The captain announced he would transfer the Chinese to another ship and hire Norwegians for the Mundelta.

Owen Lattimore, authority on Mongolia and Manchuria, who is now lecturing in the United States, advocated an economic boycott and an embargo on war materials in the course of an address before 1,200 students of Stanford University on April 27. Lattimore listed Germany, Italy and Japan as aggressor nations, but said that they were more dangerous as trade "aggressors" than military rivals.

Chinese "red" tea, produced in the Ningpo, Shaoshing and Taichow districts of Chekiang province, is now being shipped to the outside world through Hongkong by a recently organized Chinese company, according to a report in the *Sin Wan Pao*. Some $4,000,000 has been exported to Britain and Russia, the price ranging from $40 to $45 a case. Between 70,000 and 80,000 worth of Chimong tea is also being exported from Anhwei this year.

Miss Pei-hwa Chiu, daughter of Mr. and Mrs. S. K. Chiu, was married on Thursday, May 5 to Jackson Chu, second son of Mr. and Mrs. P. K. Chu. The wedding was held at the Sun Sun restaurant. Ling Kong-hou, secretary of the Chinese Bankers Association and chairman of the Federated Chinese Chambers of Commerce officiated. Mr. Chu was graduated from Shanghai Commercial College and National Central University. Some 250 guests attended.

Hallett Abend, correspondent for the *New York Times*, departed on Friday, May 6 on an extended trip through North China and Manchuria. He was accompanied by his mother, Mrs. Kitty Bradbury, of Los Angeles, who is visiting here. From Shanghai they traveled to Dairen on the Tsingtao Maru and from Dairen over the lines of the South Manchuria Railway to Mukden and thence to Peiping over the Peiping-Mukden lines which are now managed by the S. M. R.

Japanese shipyards, chiefly Uchida in Mia prefecture, have delivered to the Soviet authorities five two-masted vessels, each of 50 tons and equipped with diesel engines, which were included in the deal for the sale of the Chinese Eastern Railway. The boats were delivered in Vladivostok.

A new steamship service, operated by the C. F. Sharp Company, a Philippine concern, will operate a monthly service between Manila and Pacific ports, including San Francisco, Los Angeles, Portland, Seattle. The ships, consisting of six freighters, will carry cargo and a limited number of passengers.

The Chinese paper, *Ta Mei Wan Pao* on May 5 reported that the Japanese authorities had arrested a number of Japanese in civilian attire in the Sinza police district of the Settlement where a number of Japanese cotton mills and other industrial establishments are located. The men were turned over to the Japanese consular authorities.

The American Securities Corporation has brought an action in the U. S. Court to obtain possession of a cargo of rayon in the possession of the Commercial Express and Storage Company. According to testimony presented before Judge Milton J. Helmick on May 7 the rayon was stored in a warehouse in Wayside district, but was removed by a Chinese. A Japanese, however, claimed to be the owner and stored it in the Commercial Express warehouse, the storage fee amounting to $500.

The efforts of a gang of white slave traffickers to transport six young Chinese girls from Shanghai to a brothel controlled by the Japanese army in Sungkiang, were frustrated by the police of the International Settlement on May 7. The police were notified by Chinese servants at the hotel where the girls were being prepared for the journey. As in a previous case, the girls had been enticed by offers of employment in factories. The head of the gang, named Ying Wei-pao, escaped.

Ling Lee-sz, 36-year old widow of a Chinese aviator who was killed in an accident, was charged in the First Special District Court, with selling her 4-year old daughter to a Chinese butcher for $25. The deal was negotiated by a waitress employed at the Sun Sun roof garden. The mother later repented her action and tried to regain possession of her child. She testified in court that she was without means of livelihood and could not obtain food for her three small daughters, aged nine, four and two years.

Judge Fu-ling, in the First Special District Court on May 5, pronounced Tsung Zeu-keng, 25-years old, guilty of the murder of Dr. Herman C. E. Liu, and ordered him to be executed. Tsung in his final testimony repudiated his original statement that he had killed Dr. Liu because he had heard that Dr. Liu was planning to join the Nanking puppet government. He admitted his original statement was false. Tsung will be held in the Ward Road jail with three other prisoners awaiting execution of the death sentence.

Orland D. Russell, for several years connected with the *Japan Advertiser* in Tokyo, but in recent years a member of the editorial staff of the New York *World-Telegram*, has returned to Japan to write a history of Mitsui Gomei. He is accompanied by Mrs. Russell and their daughter Jane, aged 8, and son John aged 3. He plans to spend six months in research in Japan in connection with the work. The book will have 18 chapters, 300 pages and will exceed 100,000 words. He began his research at the Mitsui tombs at Matsuzaka in Ise.

Takoe Nagai, star baseball pitcher for the baseball team of Keio University, was killed in action on the North China front, according, to a notice received by his family in Japan on April 30. Nagai had finished the university and was employed by the Kirin Brewery Company. He was one of the most popular baseball players in Japan and for a time managed the Greater Tokyo Club. When the war started he joined the colors and was a corporal when killed. Another popular baseball player, Cho Nakao, former outfielder on the Meiji team, was killed in action last fall.

The China Foundation, having charge of the distribution of appropriations from the American share of the Boxer Indemnity, at the annual meeting of the trustees in Hongkong recently, appropriated the sum of $1,800,000 to cultural and educational institutions in various parts of the country. It was decided to continue grants to educational institutions despite the fact they had been forced to remove their activities from Japanese controlled territory. It was also decided to continue grants to libraries, schools and other institutions within Japanese-controlled zones, so long as the institutions are not interfered with by the Japanese.

Two Britons, arrested in Japan on espionage charges, were still under detention this week. They are Frederick Pat O'Hara, agent in Japan for the Liverpool and London Globe Insurance Co., and Joseph B. Gilbertson of Vancouver, fourth engineer of the steamer Heathcote. Gilbertson was arrested April 17 and charged with the "crime" of photographing forbidden zones. The Japanese police claimed that his long detention was necessary because the police were studying the pictures which he had snapped. In the case of O'Hara, the Japanese seized his private papers, correspondence, pictures and other effects and according to latest reports are "still studying materials."

The U. S. S. Augusta, with Admiral H. E. Yarnell in command, departed from Shanghai this week for Tsingtao, Chefoo, and Chinwangtao. The ship will remain at Chinwangtao for 10 days during which Admiral Yarnell will visit Peiping. After a call at Weihaiwei, the Augusta will return to Shanghai. The U. S. gunboats Oahu, Tulsa and Isabel are now in Shanghai harbor.

Dr. Robert E. Brown, director of the Wuhu General Hospital of the Methodist Episcopal Mission, who is now visiting in Shanghai, said there is still fighting in the vicinity of Wuhu and that rifle fire is frequently heard. Dr. Brown and eight other American associates remained in the city throughout the hostilities. He said that the city of Wuhu previously had about 100,000 people, but now has only about 40,000.

G. S. Moss, British Consul-General at Hankow, departed on May 7 for home on leave. Mr. Moss was scheduled to retire but was induced to continue in service because of the crisis. C. E. Whittamore will serve as acting Consul-General in Mr. Moss' absence. On the train from Hankow to Canton, on which Mr. Moss traveled, there also were 48 French sailors and two Japanese women, the wife of a foreign officer in the Maritime Customs and her cousin.

H. J. Timperley, correspondent of the *Manchester Guardian*, who is now in England, was a speaker in the "China week" exercises organized by the Manchester District Relief Committee. Other speakers included a daughter of Dr. Wellington Koo and S. I. Hsiung. A resolution adopted called attention to the damage in prestige which Britain had suffered due to failure to resist Japanese aggression. It was demanded that Britain support the Chinese delegates at the League Council meeting.

William A. Chapman, former clerk of the U. S. Court here, who allegedly committed suicide several years ago, is alive and residing in Los Angeles according to a *United Press* report from San Francisco. Chapman served a term in prison for embezzling $30,000 of Court funds. The U. S. Treasury was searching for Chapman in connection with a legal action against one of his five bondsmen, Mrs. Carl S. Seitz whose late husband was one of the signers of Chapman's bond. The Government is trying to collect $11,000 from Mrs. Seitz. Her husband was a well known lumber merchant here.

J. Gunnar Andersson, famous Swedish explorer arrived in Shanghai this week from Baie d'Along Islands, off the coast of Indo-China, where he investigated remains of a mysterious race of cave-dwellers. The expedition is financed by Ecole Francais d'Extreme Orient. He stated that considerable refuse such as middens, pottery and stone impliments were found but no actual human remains. Mr. Andersson departed from Shanghai at Christmas time. He was entertained on Sunday by the Swedish Minister and Baroness Johan Beck-Friis. He is departing shortly for Paris to make a report on his discoveries.

Japan's "Red" Scare in Shanghai

Japanese military and diplomatic spokesman here said May 9 they had no information regarding press reports of the arrest of a number of "Red" Russians in the Hongkew district on charges of subversive activity. Locally, the report was carried no May 8 by the *Shanghai Nippo*, which asserted that "no less than 10" Russians are now undergoing examination at the hands of the Japanese authorities in the Hongkew area. The authorities, the report claimed, had taken special precautions in the past few days, "on receipt of information that Red elements have been plotting to stage disturbances north of the Creek since the May Day." On May 5, the daily said, 150 meters of telephone wire had been cut in the Yangtszepoo district.

Chinese Spokesman Redicules Red Rumors

The report broadcast by a Japanese broadcasting station at Dairen on May 7 to the effect that a number of Soviet military officers had participated in the fighting in southern Shantung was emphatically denied by a spokesman of the Military Affairs Commission at Hankow. The Japanese report, among other things, alleged that on May 4th a family photograph belonging to a Soviet officer was discovered by the Japanese troops during the battle at Yuwangchwang. These fabricated reports, according to the spokesman, were no doubt purported to fool the world that Japan is fighting Communism in China in order to soothe the feelings of the sympathizers of China. The Japanese militarists, who have always looked down upon China's military strength, he added, have now resorted to the underhand method of spreading false reports and manufacturing whatever pretexts which they think would cover to their humilitating defeats in southern Shantung.

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A Study of Land Utilization in China

REVIEW BY E. H. CRESSY

(Concluded from last week)

Agricultural Regions

Chapter II indicates the two major agricultural regions, the wheat region and the rice region. These are sub-divided into eight areas as follows:

Wheat regions area: Spring wheat; Winter wheat-millet; Winter wheat-kaoliang. Rice regions area: Yangtze rice-wheat; Rice-tea; Szechwan rice; Double cropping rice; Southwestern rice.

These areas are fully defined by maps in the Atlas. Each has its specific characteristics. The statistical tables give a great abundance of detail concerning each. This chapter describes each area under the seventeen headings indicated in chapter I, with recommendations in addition. Thus the Winter Wheat-kaoliang Area comprises the great plains of North China and is described in particular under two headings as follows: "The flat topography of this area plays an important part in the famines of North China. Rivers, although dyked, constantly silt up their channels and flood the surrounding country, and often change their courses, as has happened many times with the Yellow River. Geologically speaking, man has settled these plains thousands of years before they were ready for occupation, and he must therefore take the risks involved. The precipitation averages about 24 inches and varies within the area from 17 to 35 inches with a high concentration in the summer of a convectional type and an almost rainless and snowless winter. The daily range in temperature is high. There are about seven months free from frost."

This area comprises 35% of all the cultivated land in China, which is a most significant fact in relation to the present war situation.

Topography of China

Chapter III outlines the main physiographical features of China in addition to full details. "China extends far enough westward to include within her boundaries a very considerable portion of the great plateau complex of central Asia. As pointed out by Prince Kropotkin in his classical paper on the Orography of Asia, this complex consists of a number of plateau "terraces" of unequal average elevation, each consisting of immense elevated plains many thousand meters above sea-level with mountain ridges of moderate relative, but very great absolute, elevation rising from their surface, and frequently containing depressions of considerable magnitude both in extent and depth. Each terrace is separated from the adjoining one by border ranges, often lofty in the extreme, having one foot on the higher terrace and the other on the lower."

Climate

Chapter IV covers basic climatic factors, moisture, temperature, sunshine, etc., giving details concerning each of the eight areas. It has the following to say about famines: "Famines in China are caused chiefly by unfavorable weather conditions. The average number of famines for 146 hsien within the memory iof informants in these hsien is three, but they are much more frequent in the Wheat Region, 3.6 famines, than in the Rice Region, where the average is 2.5 famines. The chief causes of famines in China are droughts and floods. Water, too much or too little, is the greatest factor affecting the precariousness of farming in China. Droughts occurred twice as frequently as floods and averaged two per hsien. . . . . It was estimated that for all these famines 24 per cent of the population in the affected area were reduced to eating bark and grass, 13 per cent emigrated and five per cent starved.

"Relief was given for two of the three famines per hsien. Probably there is a greater amount of relief in recent times since it comes also from outside the community rather than from the local granaries only, and this may be one of the important factors in causing a growing population in China.

Chapter V is a mass of technical details concerning the various soils of the several areas and regions. It summarizes the relation of the soils of China to man as follows: "Taking the soils of China as a whole, in relation to population, the most significant fact is that the vast majority of the people are concentrated in the valleys and on the flood plains of the great rivers. They have made frequent assaults on the hill lands, clearing away the trees or plowing up the sod, only to be driven back to the valleys again by soil erosion. In the loessial region large numbers still remain on the uplands to fight starvation by drought and the destruction of their lands by erosion, and they will doubtless remain for a long time to come; but the hungry gullies and gorges are rapidly eating away their land, and they will eventually be forced to the flood plains where their fellow men are already crowded together. In Szechwan there is a similar struggle against the forces of erosion; but here, as has already been explained, the farmers have a much better chance to keep their holdings through the centuries. Deforestation of the hills and mountains of the Rice Region not only has failed to furnish permanent farms for land hungry people, but it is causing good valley lands to be covered by sterile clay from the hills."

The Land

Chapter VI estimates the arable uncultivated land at 11 per cent of all uncultivated land. It warns against a common mistake with regard to the Northwest as follows: "People who have never been in the Northwest imagine great areas only awaiting settlement, while people who have been there and have seen with a discerning eye, fully realize the very limited area available for cultivation. Pastoral farming is primarily adapted to the more marginal lands of the Northwest; therefore attention to its improvement in order to provide products such as wool and cheapter meat to other parts of the country would seem a sounder policy than breaking up perfectly good grass land to make poor agricultural land."

Full data is given as to the use of land and the following summary is a significant indication of the place of land in the future of China's agriculture:

"In the first place, no great increase in the amount of farm land can be expected. The removal of graves from farm land, the elimination of land in boundaries by the consolidation of the fragmented holdings, the profitable cultivation of arable lands not now cultivated, and an economic size of farm which would lessen the proportion of area in farmsteads would probably make available an additional ten per cent of the present area in farms.

"In the second place, farm land in China is already intensively used. A very large proportion of the land is in crops used directly for human food, an extremely small amount in pasture, and a comparatively small amount in forest or in other fuel crops. Not only is the type of use intensive, but the modification of the physical condition of the land by irrigation, drainage, terracing, and to a smaller extent by fertilization, also tends to bring about a higher degree of utilization. It is, however, through the still more intensive use of the present farm land of China that the greatest increase in food production is to be expected . . . . Perhaps a 25 per cent increase in total production by more intensive methods and by modern techniques would be a conservative estimate of the possible increase economically, in China's agricultural production with the known methods of agricultural production."

Crops

Chapter VII on crops begins as follows: "Cropping practice in China differs from that in other countries in several respects. Crops are grown primarily for food for direct human utilization and only a small proportion is used for feed in the production of animal products; nearly all crops are cultivated since hay is not produced for fodder; crop by-products are utilized to a large extent for fuel; and a large proportion of the crop-area is double-cropped each year. Crops in China, like those in Japan, India and Russia, are intensive in nature compared with those in Italy, Germany, Great Britain and the United States, where 20 to over 50 per cent of the crop area is in hay, a crop which requires little labor and is, therefore, considered as an extensive crop."

The percentage of farms growing various crops will be a surprise to most. "In the localities studied, wheat was the most universally grown crop and was raised by 66 per cent of all farmers; rice was next, grown by 43 per cent of all farmers; millet, kaoliang, barley, soybeans, sweet potatoes, corn and cotton followed in order of importance. In the Wheat Region nearly 80 per cent of the farmers grew either spring or winter wheat, and in the Rice Region 73 per cent raised rice."

Crop yields indicate important future agricultural possibilities as follows: "China's yields are better than those of India or Russia, not as high as those of Japan, and, with the exception of rice, are less favorable than in other countries such as Italy, Germany, Great Britain and the United States. It is evident, therefore, that even in China, where farming is supposed to be intensive, there is considerable opportunity for increasing the yield by the use of improved seeds, better care of crops, more fertilization, the control of insect pests and disease, and by irrigation and drainage. The range in yields is very great. For instance, wheat varied from five to 67 bushels per acre, rice from 22 to 169 bushels per acre, corn from eight to 82 bushels per acre."

Scientific planning for the future is advocated in the following recommendations: "The most profitable type of farming on a given farm, on a given piece of land, or in any homogeneous agricultural area, is not easily determined; but the costs of investigating the best type will usually bring a handsome return in the increased production and profits accruing from using the land in the best way. A nation should base its national policies on the most advantageous use of its land for products needed by its own people and for export purposes. Each homogeneous geographical area should be determined and the improved use of land should be brought about on a project basis where technical men of different branches of science work together under an able director, preferably an agricultural economist. . . . It is the function of the agricultural economist with good farm management training, in co-operation with these other technical professions, to make the decision as to what is the best use of the land. Care, however,

must be observed in any such projects that they do not become so dictatorial as to make it possible to oblige farmers to use land in a certain way which may prove to be the wrong one."

Livestock and Fertility Maintenance

"The animal industry in China is more highly developed in the frontier regions than elsewhere. A later discussion on nutrition shows how great is the need for milk in the farm diet, especially for children and mothers. It may be well, therefore, to consider the problem of establishing the dairy industry on a scale large enough to improve the nutritional situation materially.

"The dairy cow is the most efficient animal in the use of crop by-products such as straw and stalks, but in China these products are largely used for fuel. If a substitute source of fuel can be found, these crop by-products would supply some of the feed necessary for dairy animals. Moreover, the use of crop by-products for the dairy cow helps to maintain the fertility of the soil. A greater amount of fertility is returned to the soil when such products are fed to animals rather than when burned and the ashes only returned. Quite large areas of hill land in China are now used for grass and bushes cut for fuel, which might be used for pasture if a fuel substitute could be found. Since the farms in China are moderately stocked, the amount of manure produced on the farm is an important factor in fertility maintenance. If 15,983 pounds are taken as the manure production per animal unit and 992 pounds as the production of night soil per adult-male unit, the average weight of animal manure and night soil produced per farm is 6,654 pounds per crop acre.

"In the United States the production of farm manure per acre is 3,140 pounds for the Northern and Eastern States, and the lower production compared with China is made up in part, at least, by the use of commercial fertilizer at the rate of 21 pounds per crop acre for all crop land in the United States. Another of the fertilizer problems of outstanding importance is the use of night soil which is a carrier of various intestinal diseases. China can ill afford to use night soil unless it can be made sanitary. From an economic viewpoint, it would probably be cheaper to throw away night soil than to incur the losses concurrent with ill-health which result from its use.

"China's fertilizer problem is, therefore, one of obtaining a cheaper supply of fertilizer, of extending credit at reasonable rates to farmers for its purchase, decreasing the cost of transporting fertilizer by more modern methods of transportation and discovering a sanitary method of using night soil without diminishing its fertilizing value. Considering the dense population of China, it is doubtful if the animal industry can be increased to any great extent for such purposes as milk, meat or egg supply."

Size of Farm Business

"It is sometimes assumed that yields on small farms are larger than those on large farms because of supposed greater intensity of culture on the small farms. Actually there is no significant difference between yields on farms in the various size-groups of farms. The average production of grain-equivalent per man-equivalent for all localities, is 1,400 kilograms. It is less in the Wheat Region, a little over 1,200 kilograms, than in the Rice Region where it is over 1,500 kilograms. In the Spring Wheat Area it is only one-half of the production per man-equivalent in the Yangtze Rice-wheat Area, probably chiefly because of the unfavorable climate and topography. Impaired health from opium smoking may also be a factor resulting in lower production.

"It may be stated, then, that in China, the more dense the population, the greater the production per man-equivalent or per capita. A farmer is much better off living in the more densely populated areas, since he can produce more because of the more favorable conditions for agriculture. Actually, then, in any plan for equal distribution of population in China from the standpoint of equal production, the migration movement should be away from the Northwest rather than toward it. Plans for the development of northwest China should give serious consideration to this fact of low output per man on land already cultivated in this area."

Farm Labor

"The greatest source of farm power in China is human labor and the second greatest is animal labor. . . . The amount of man labor in China is almost unlimited and one of the great problems is the discovery of enough productive work to keep this vast human army profitably employed. Paradoxically, the problem is also one of reducing the amount of human labor required during periods of peak labor requirements for important farm operations.

"In terms of work accomplished, men perform 80 per cent of all the farm labor in China, women 13 per cent, and children seven per cent. . . . The amount of work done by women is partly associated with the extent to which feet are bound. The power problem is also one of using animal labor more efficiently by having animals do more of the work now done by human labor, such as cultivating, and by using better implements and more animals per implement. Farm machinery can be utilized to advantage only where it saves labor in peak periods of work or for those operations which man and beast cannot do, such as pumping water to great heights or distances or in large quantities."

Prices and Taxation

This chapter gives indices for prices received by farmers as against prices paid by them for commodities purchased, wages of farm labor, prices of farm labor animals, and taxes.

(*Continued on Page 328*)

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(中國評論週報)

桂中樞 C. S. Kwei, *Editor* | 朱少屏 P. K. Chu, *Business Manager*

191 Carter Road, Shanghai, China Telephone 31164

"The failure of farm wage rates, prices of farm labor animals, the prices of purchased goods, and farm land taxes to respond promptly to changes in the prices received by farmers explains why farmers are always in distress in a time of falling prices. From the farmers' standpoint, stable or slowly rising prices are necessary for economic security."

Marketing

"Nearly one-half of the farm products are sold to market towns, one-fifth to the same village or in nearby farm villages, 29 per cent to the hsien city and only eight per cent to a distant market. Transportation is eighty-five per cent of the cost of marketing to distant markets. Taxes on goods in transit amount to 12 per cent and *other costs* three per cent. The high transportation costs and the tax levy on agricultural produce in transit are important factors in making it difficult for China to compete with foreign countries exporting agricultural products to China."

Population

"Most observers believe that the rural population constitutes 80 or perhaps even 85 per cent of the total, and sample data from the total population of 168 hsien give a distribution of 79 per cent in farm villages and hamlets, 11 per cent in market towns where part of the population is engaged in agriculture, and 10 per cent in cities. Official data give 75 per cent of all households as rural.

"The patriarchal family retains an important place in Chinese rural life. This is particularly true in North China where the means of communications are less developed and prosperous cities, with their disintegrating influence on ancient traditions, are more difficult to reach. In the entire sample only 70 per cent of the family members belonged to the immediate primary families, i.e., were family heads, wives, concubines, sons, daughters, adopted sons or adopted daughters. The remaining 30 per cent included 57 other varieties of kinsfolk. . . . . In the population considered, monogamy was almost universal and the practice of bringing sons' fiancees into the home was relatively rare. There were 81 wives to each concubine, and 15 sons' wives to each son's fiancee. The greater strength of the patriarchial tradition in the North results in somewhat larger families in that section than in the South. In the North the average size was nearly five and one-half persons, while in the South it was about five persons. In the entire sample four person families were more common than any other size, and families including from three to six persons comprised nearly two-thirds of the total.

"China is spoken of as an old country, and so its culture is. But its population is young, judged by present day Western standards. This, of course, is the inevitable result of high birth and death rates. Many are born but few survive the hazards of infancy and childhood. The same situation exists in India. Japan, on the other hand, is in a transitional stage. Modern sanitation and medicine are counter-balancing the effect of a somewhat lower fertility, to yield an age distribution not sharply different from that found in China. In a very real sense the East is young. China and India lead all the countries listed in table 16 in the proportion which married persons formed of the population in the important reproductive ages. Among males the proportion married was slightly higher in India, but among the females China was higher with 85 per cent married as against India's 81 per cent. The large proportion of widows in India accounts for the difference. In Japan, on the other hand, only 67 per cent of the women of child-bearing age were married and in the West the proportions were still lower.

"The comparison of the rates for the Chinese sample with those for Japan is particularly interesting. The Chinese crude birth rate is definitely the higher, not because married women were more fertile in China but because there were more of them. The Chinese married women were apparently less fertile than the Japanese. But, as appeared in table 16, 85 per cent of the Chinese women of child-bearing age were married, while in Japan only 67 per cent were married. The universality of marriage in China more than counteracts the effect of the lower fertility of married women, yielding a higher crude birth rate in China than in Japan."

Nutrition

"The diet of the Chinese farm family consists to a large degree of foods produced on its own farm. Thus any change in the cropping system has a direct bearing on the nutrition of the family, and any change made in the diet to provide better nutrition must be made in terms of a food production which will fit into the farm economy as a whole.

"Farming in China is not so highly commercialized as in Western countries and is more self-sufficient in regard to food consumption. Averaged for the country as a whole, the total food energy in the farmer's diet is derived approximately, three-fourths from his own farm, one-fourth from purchased products, and only one per cent from other sources. The food energy consumption of the country as a whole is markedly above the standard. This statement, however, requires qualification, firstly in regard to the application of figures from systematized chemical analysis. Secondly, it may be that Atwater's computation of energy food requirements for males and females of different ages in terms of adult-male units is unrepresentative for Chinese.

"In all of the eight agricultural areas where the average intake of calories is above the standard, there are localities with inadequate supply; and since these averages reflect the food consumption in farms of every size and degree of prosperity, the proportion of the rural population which has not enough to eat may still be considerable and, indeed, in some cases is very high. For example, in the Winter Wheat-kaoliang Area, where the average intake is 20 per cent above the modest standard of 2,800 calories, consumption in eleven of the thirty-three localities where studies were made falls below it; and the average calorie intake in one of these is only one-half of the minimum, namely 1,406 calories. It is evident that the distribution of food energy in the Chinese farm diet is very different from that in the mixed diet of Westerners. The Chinese diet comes almost entirely from vegetarian sources in contrast to the American diet with its large percentage of calories from animal products. Of the latter, milk and other dairy products, which are absent from the farm diet of China, make up about one-third.

"Many writers who have recognized that a nutrition problem exists for the Chinese farm family have considered it a hopeless one unless a better economic situation could provide a higher plane of living. The data here studied are of special significance in showing that constructive steps are possible at the present economic level. In a large majority of the localities the intake of energy-yielding foods is more than adequate; what is required, however, is an adequate intake of "protective foods" without an increase in the cost of the diet or a reduction in the necessary intakes of calcium. The problem is one of shifts in its sources. Substituting leafy vegetables and starchy vegetables such as potatoes in place of grains means a larger production of food per unit of land, provides more needed work on the farm, distributes the labor more evenly throughout the year and, at the same time, makes the diet more tasty. This improved quality will result in a better state of health and a greater productive efficiency and thus in itself lead to a higher plane of living. It should also be pointed out that an improved economic status which implies more money for food does not necessarily mean a better nutrition.

"Throughout this discussion the child nutrition problem has been emphasized. Not only does it present the more difficult situation but it has a direct bearing on adult well-being. It is clear that inadequate nutrition during growth may result in a permanent handicap in terms of physique, health and productive capacity. It is recognized that the long nursing period customary with Chinese children is a distinct advantage, but it must not be forgotten that the nutrition problem is merely shifted to the mother, frequently with disastrous results. In any permanent program for the improvement of the Chinese farm family education and research should be directed primarily to the child problem."

Standard of Living

The full details in this chapter are summarized in Chapter I. Volume I ends with glossary and topical index.

Atlas Volume

The Atlas Volume has large maps as follows:

Regions	12
Topography	7
Climate	21
Soils	2
The Land	12
Crops	94
Live Stock	15
Others	21

Note the great detail in which all the crops are analyzed, each giving (1) per cent of crop area, (2) planting dates by months, (3) harvesting dates by months. The volume is completely bilingual—Chinese and English.

Statistical Volume

The statistical volume contains 475 large pages of tables, containing a staggering array of data—which will serve as a solid basis for all future studies.

Climate	19 pages
The Land	44 ,,
Nutrition	57 ,,
Live stock	24 ,,
Prices and Taxation	23 ,,
Crops	82 ,,
Standard of Living	63 ,,

Tables and maps in all three volumes are cross-indexed.

Peiping Streets Cleared for Italians

All traffic was cleared from the streets of Peiping May 8 while the Italian Goodwill Mission to Japan toured the city with Japanese military authorities. The unusual precautions formerly taken only for officials of the Peiping Provisional regime and high Japanese authorities, were taken following reports of a plot to assassinate members of the Italian party. Foreigners expressed considerable resentment here over the inconvenience occasioned by the precautions. In some instances the streets are cleared several hours before the Italian mission ventures into the city streets, bringing business to a complete standstill.

A HELPING HAND NEEDS A HELPING HAND

From the time of its inauguration last October to April 9th this year, the Shanghai International Red Cross has among other things allocated and spent $1,011,047 for caring of refugees, $168,308 for medical aid and supplies, $164,295 for work among wounded soldiers and $22,500 for relief work in Nanking. Though these are large sums, they have merely met the needs of a portion of the huge population made penniless by the war.

Since March, 1938, the Shanghai International Red Cross has been authorized to extend the scope of its relief program into "other parts of China as the need may arise and resources may permit." Inview of the size of the war-stricken areas, particularly in the lower Yangtze region, where millions of homeless people require immediate help, it is feared that the Shanghai International Red Cross will need a considerable income every month to carry on this additional relief burden.

The people in Shanghai have done their utmost to support the refugees while other local resources are already heavily taxed. In view of this desperate situation, the Shanghai International Red Cross feels that unless increasingly large donations can be secured from friends in outports and abroad, it will soon find it impossible to continue its work.

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